

BANKING

JOURNAL OF THE AMERICAN BANKERS ASSOCIATION

JUNE 1945



A Bank in a Tank (Page 1)

*From Annas to Zlotys
Financing Airparks, Airlines, Airplanes*



Whether your customer is a small business man who needs \$10,000, or a big business enterprise which needs millions, field warehousing is equally sound and practical.

Through the issuance of Douglas-Guardian warehouse receipts, the borrower's inventory becomes the bank's collateral. Douglas-Guardian receipts are issued *without moving merchandise off the borrower's premises*. Douglas-

Guardian safeguards the inventory which is your security. An operating man—the key man in Douglas-Guardian procedure—follows each transaction through from the issuance of warehouse receipts to final repayment of the loan.

Upon request, we shall be glad to send you, for distribution to your customers, copies of "Profits on Your Premises", a new booklet which explains every step in the Douglas-Guardian procedure.

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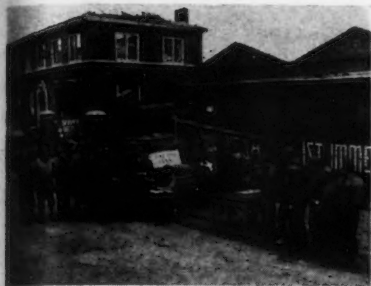
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Just a Minute



Paying and receiving

Bank in a Tank

BANKING frequently points the prideful finger at its cover, but never more pridefully than this month.

The picture shows the tank-bank of the 561st Ordnance Heavy Maintenance (Tank) Company in action. That's Thrift Corporal EDWARD JORDAN's outfit. The corporal is the man who started the GI bank plan back in the States and carried it overseas. The photograph was made somewhere in Germany.

Accompanying it was a letter from Sergeant CHARLES CABANA, JR., who explains that at the right Captain SHOWALTER is paying the men while at the left Corporal JORDAN, in the role of receiving teller, is taking deposits for safe keeping.

"The pay day just past," says the sergeant, "brought deposits amounting to better than \$10,000. [He spelled out the figure, so there would be no mistake. — Ed.] Of course, there isn't any place to spend the little cash we draw in Germany, but we're all saving in anticipation of generous passes and leaves when hostilities cease. Besides, it gives a fellow a little backlog for those remembrances you forget until the last minute.

"Almost 100 per cent of the men now carry accounts in the company bank, in addition to the generous allotments they are sending home.

"This picture was taken April 1. The joke of the day is the German sign on

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BANKING

JOURNAL OF THE AMERICAN BANKERS ASSOCIATION

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Preparedness is Priceless

Marine law requires ocean-going steamers to carry life boats and rafts of sufficient capacity to accommodate all persons on board. Even though this were not the case — failure to do so would be bad business. For the public would have little faith in any line which skimmed on such vital equipment. » » There are, of course, no laws which require the use of safety paper for checks. But bankers and business men know that the hazard of loss through fraudulent alteration and counterfeiting is far greater without this precaution — and that public confidence is correspondingly increased through its use. » » And it is their uncompromising determination to provide the utmost in check protection which has made "La Monte" America's most widely used check paper, and the choice of a great majority of outstanding banks and business organizations.

For Samples of La Monte Safety Paper see your
Lithographer or Printer — or write us direct



LA MONTE
GEORGE LA MONTE & SON

Safety PAPER
NUTLEY, NEW JERSEY



The Wavy Lines are a La Monte Trade Mark

We supply many banks and business organizations with their own INDIVIDUALLY IDENTIFIED Safety Paper. The issuing organization's Trade-Mark is in the paper itself and appears on both the front and back of the check. Such INDIVIDUALIZED paper provides maximum protection against counterfeiting — saves Banks sorting time — helps prevent errors.



the wall. It says, in effect: 'The Storm-troopers are always there.'

Corporal CABANA made a special request: "Could we have a print of this photo sent to each of our wives? Our addresses are on the enclosed sheet. We did not have any prints, just the enclosed negative, and we would appreciate one, too, if that is possible."

Here They Are

THE deposit-making group at the left is composed of (in the usual left to right formation) T/Sgt. JOHN L. MASON, 106 Cypress Street, Monrovia, California; Pfc. JOSEPH C. BEHLERT, 46 E. Robert Avenue, Salt Lake City; T/5 CHARLES SCHNEIDER, 754 Miller Avenue, Brooklyn, New York; S/Sgt. KENNETH DeLOE, 54 Cornen Street, Bradford, Pennsylvania; T/4 WALTER HESS, 1010 South Union Street, Lima, Ohio; T/5 ANTHONY L. PARENTE, 3257 85th Street, Jackson Heights, New York City; Sgt. CABANA, 155 Kinsey Avenue, Kenmore, New York. (Sorry, Sgt., but we're not sure which is you because your list is one name short at this point.)

Sitting at the table in front of the "Company Bank" sign is the Thrift Corporal himself, whose home address is 87 Wyndale Street, Rochester, New York. (He was formerly with the Lincoln-Alliance Bank and Trust Company.)

At the other table, handing it out, is Captain LABON M. SHOWALTER, of Harrisonburg, West Virginia. The man getting his pay from the C.O. is Sgt. PAUL M. BLITZ, 818 North Spruce Street, Little Rock, Arkansas. Then

Deposit and Withdrawal

"A HOUSEWIFE," reported the *United Press* under a Patchogue, New York, dateline, "made a deposit in the Peoples National Bank night depository late today and was back to reclaim it within an hour, interrupting a board of directors meeting."

"I dropped in my package of codfish instead of the money," she said."

come T/5 AUGUST R. NYLUND, 4036 19th Street, San Francisco, T/5 HENRY CZARNECKI, 66-65 56th Avenue, Maspeth, Long Island, New York. . . .

"Sorry," says Sgt. CABANA at this point, "but the last men are not identified as we did not have a print and were in a hurry to get this to you."

Well, there's the story. We might add that the family of each identified man has received a print and that a couple (we hope) have found their way to the savers of 561st Ord. H.M.Co. (Tk.), APO 339, c/o PM, New York, New York.

Down to Business

HAVE you wondered how the delegates of the 46 nations at San Francisco were handling their financial affairs—the confusions of exchange, the cashing of drafts and checks (cheques), the bread-and-butter side of organizing a world security league?

These are some of the homely, practical matters that don't get into news stories about the conference. So we

(CONTINUED ON PAGE 6)

"Wouldn't you know they'd give that Department to the only married woman in the bank!"



"Here---
TO SERVE
you"

When you or your customers have problems which your normal banking facilities will not solve, call on the American National.

We welcome requests for out of the ordinary, as well as customary, services from our Correspondent Banks.



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THE AMERICAN NATIONAL BANK
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Property Facts Are Basic

THE starting point for sound solution of problems of Income Taxation, Reconversion, Accounting, Insurance and Finance is an accurate knowledge and record of Property Facts.

The AMERICAN
APPRAISAL
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VALUATIONS • PROPERTY RECORDS
DEPRECIATION STUDIES



Why Passengers Deserve Cyclones

In contrast to surface systems, air transport derives the major part of its revenue from passenger fares. Although ratios may vary on each line, in general about 75 per cent of total gross comes from passengers, about 20 per cent from mail, and 5 per cent from air cargo and freight.

This bulk of revenue from passengers is strong proof that the

public has found in the airplane the way of travel that combines all the desirable qualities of speed, comfort and convenience, plus rates comparable to or below those of surface travel.

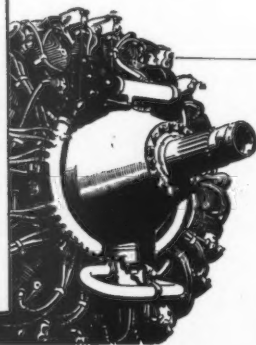
As commercial air transport grows, the qualities of speed, comfort, reliability and low rates will become all the more important in maintaining high traffic levels. It is

in this line that Wright Cyclone aircraft engines excel. They provide the power for speed. Their smooth operation adds to the comfort which the plane creates by making long trips short. And their economical operation—low on fuel and overhaul costs—plus their saving in weight to allow greater payloads, helps make lower rates both possible and profitable.

THE SHAPE OF PLANES TO COME



This is the Boeing C-97, a Cyclone-powered plane which averaged 383 miles per hour on its first public flight. Double-decked, long-range, it is built for either passengers or cargo. Its power: four Cyclone 18's of 2,200 horsepower each.



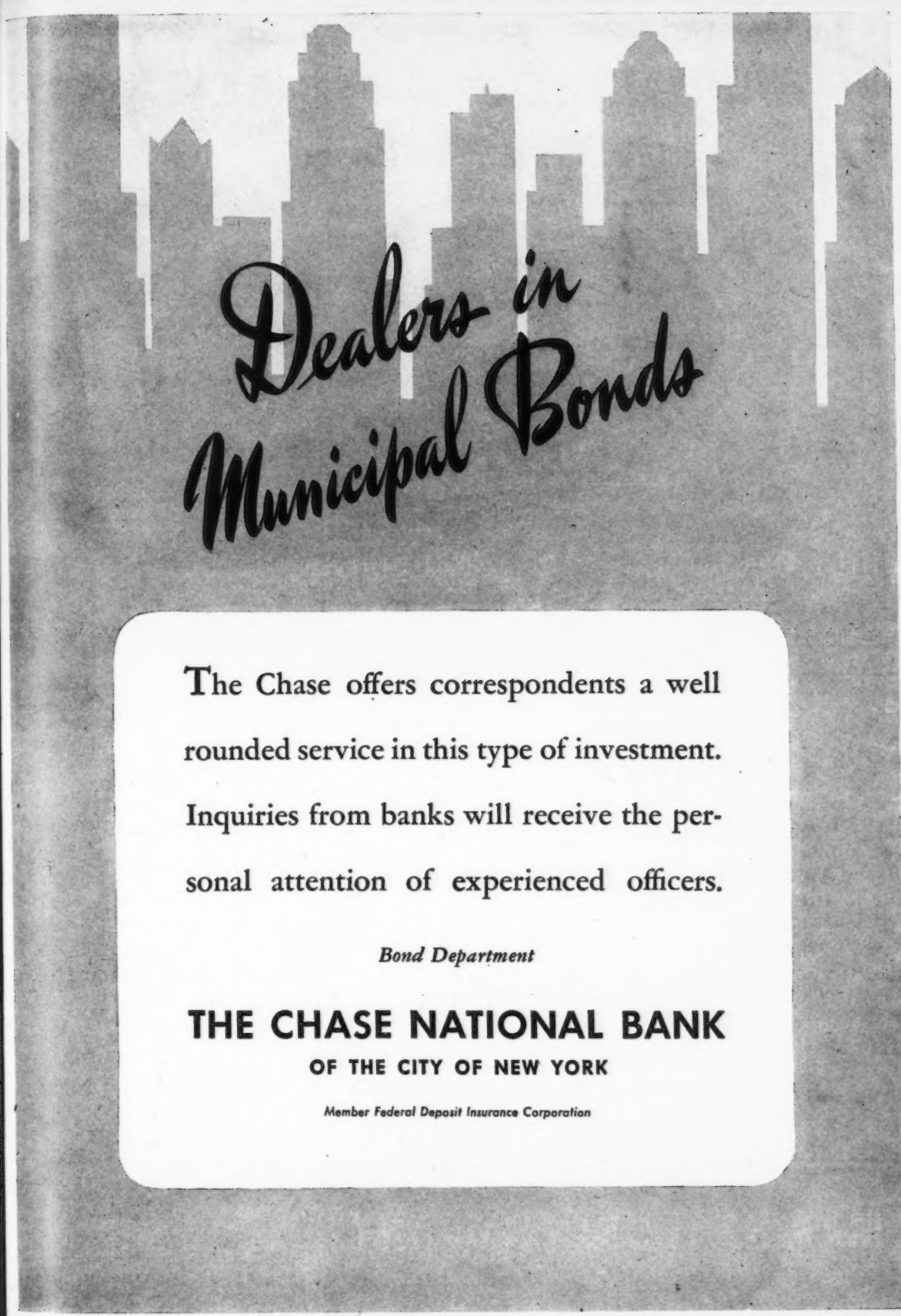
—CYCLONE ENGINES PAY THEIR WAY—

WRIGHT

AIRCRAFT ENGINES

WRIGHT AERONAUTICAL CORPORATION

Paterson, New Jersey, U. S. A., A Division of Curtiss-Wright Corporation

A stylized silhouette of a city skyline with various skyscrapers of different heights and shapes, set against a light background.

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The Chase offers correspondents a well rounded service in this type of investment.

Inquiries from banks will receive the personal attention of experienced officers.

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JUST A MINUTE—Continued



"We appreciate your feelings, Miss Campbell, but we can hardly honor a payroll deduction for War Bonds in an amount that exceeds your earnings!"

asked HELEN PIPER, wife of JOHN S. PIPER, financial editor of the *San Francisco News*, to tell you about them. She does, on page 37.

Tomorrow's Air

AIRPARKS, airplanes and airlines are already figuring in the post-war plans of many communities. BANKING looks into some of the financial aspects of these developments in this month's leading article. The national perspective on airparks (that's a young word we like) and aerial transportation in general are subjected to a bank's-eye view; there is also a specific report on what one town—Eldon, Missouri—has done toward preparing for tomorrow's transportation.

Maybe your town isn't interested in an airpark; maybe it should be. Maybe it has one. In any event, may we suggest that you make a landing on page 33 for a look-around.

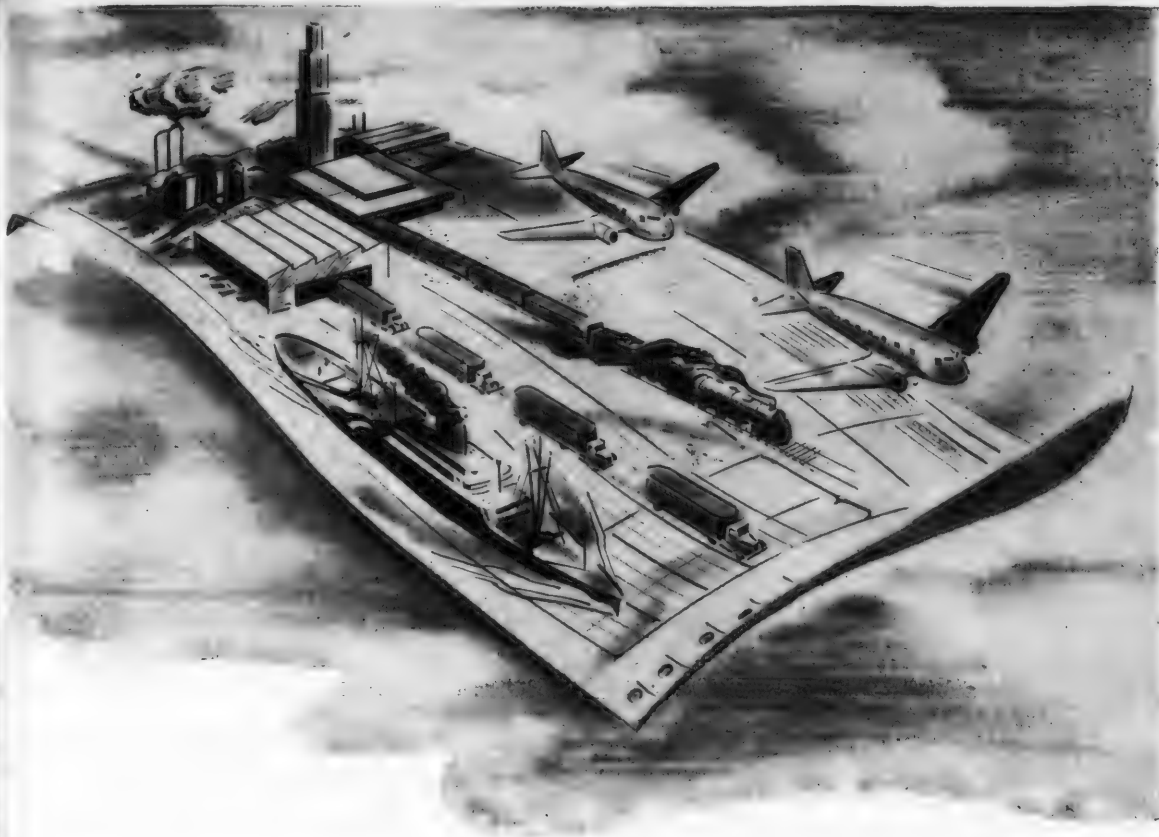
"By Any Other Name"

CAN you suggest another name for service charges?

The question arises in a letter from THEODORE ROKAHR, vice-president and treasurer of the First Bank and Trust Company of Utica, New York, who says he has felt for some time "that what we call 'service charges' might be better understood and more readily accepted by depositors if someone in this business of ours could find a better name for them."

(CONTINUED ON PAGE 11)

BANKING



Everything goes on PAPER

TODAY'S magic carpet of business is a sheet of paper. Everything that is produced—from raw material to finished product—rides along on countless forms and records.

Purchasing orders, receiving records, stock lists, job tickets, cost sheets, shipping forms, labels, bills of material, invoices are only a few of the many items of paper routine.

The time required to handle this avalanche of paper work represents a big part of the cost of doing business. Every dollar cut from this cost means a dollar added to profit.

A unique method of Multilith

duplicating will help you save those dollars by saving time. From ordinary pieces of blank paper, the Multilith runs the business form and variable information *at the same time* . . . produces completed records that are black on white and *easy to read* . . . eliminates the need for carbons. And these records are *permanant* because they are duplicated with lasting, non-fading ink.

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tive show you many new ways to utilize Multigraph and Multilith duplicating to simplify office systems, lighten work, and make great savings in time and money on repetitive paper work. Phone our local office or write Research and Methods Department of Addressograph-Multigraph Corporation, Cleveland 17, Ohio. Sales agencies with service and supply departments in principal cities of the world.



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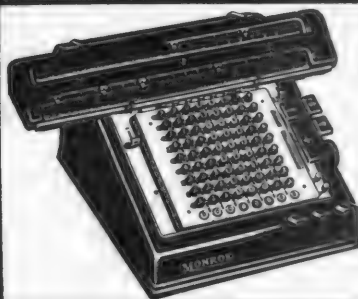
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MONROE'S Exclusive "Proof-Pay" ve

This ONE Monroe Bank Bookkeeping Machine does the three major bank accounting jobs . . . COMMERCIAL POSTING, INTERIOR PROOF, SAVINGS POSTING . . . it is revolutionizing bank accounting.



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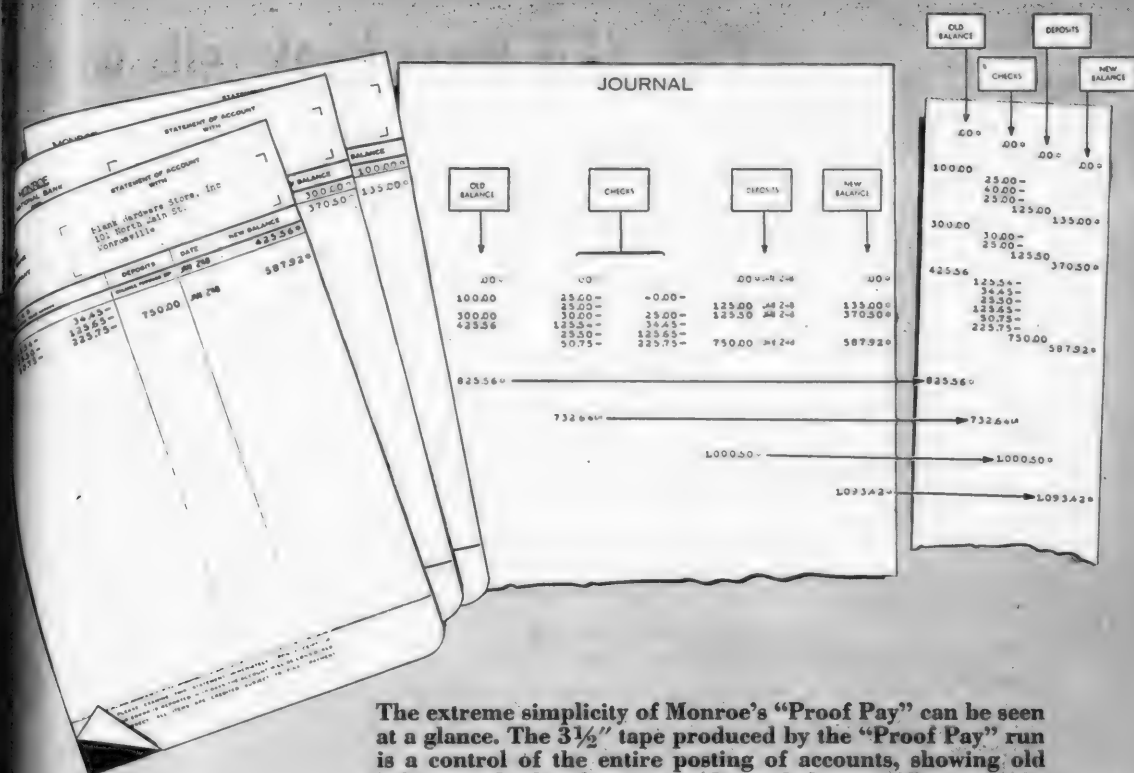


Monroe Calculating Machines have been standard equipment in banks for a generation. The same excellence of construction and dependability that have won universal acceptance are built into Monroe Listing and Monroe Bookkeeping machines.

Monroe Adding-Listing Machine. Available with narrow or wide carriage, single register or grand total. Direct plus and minus bars, "Velvet Touch" action, live operating keys.



Any One Can Dual Proof with Single Posting



The extreme simplicity of Monroe's "Proof Pay" can be seen at a glance. The 3½" tape produced by the "Proof Pay" run is a control of the entire posting of accounts, showing old balances, checks, deposits, and new balances. All overdrafts are instantly detected, and immediate adjustments can be made mechanically in all control registers. The totals on the journal produced by the posting run must agree with the totals on the "Proof Pay" tape.

In this Monroe Bank Bookkeeping Machine you have a machine of completely modern design, built especially to meet the new and modern needs of bank accounting. Because of its modern design it has made possible a unique and revolutionary system that is simple, fast, fool-proof. Its simplicity and "Velvet Touch" ease of operation is instantly recognized and appreciated by every operator.

Call the nearest Monroe Branch; a representative will explain Monroe features and advantages. Ask for fully illustrated booklet, "Three Machines in One". Monroe Calculating Machine Company, Inc., Orange, New Jersey.

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AMERICAN CAN
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OWENS-ILLINOIS
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AND HUNDREDS
OF OTHERS
HAVE PLANTS IN

**METROPOLITAN
OAKLAND AREA
CALIFORNIA**

In Metropolitan Oakland Area...the *Natural* Industrial Center of the *New West*...are the plants of more than 170 nationally known manufacturers, and of hundreds of other firms that distribute their products on the Coast and throughout the Eleven Western States.

Our new 48-page book, *It's An Amazing New West*, tells the basic reasons why these factories located here. Markets of the West...low-cost distribution by rail, air, water and highway...natural resources...power...mild climate...the outstanding advantages of Metropolitan Oakland Area as a manufacturing and distributing center...and as a place to live and work and play...are among the many important subjects covered.

Brief, at-a-glance text tells the main story. Statistical tables supply details. If you have a western manufacturing or distributing problem, you need this book. **WRITE FOR IT NOW!**

CONFIDENTIAL SPECIAL SURVEY: If you will supply details of your western problems, we will prepare a *Confidential Special Survey*, keyed directly to your particular western operation and giving full details that will provide an accurate picture of the entire set up.

We suggest that you work out all preliminaries now, including the selection of your Metropolitan Oakland Area site, so that you will be ready for a flying start the moment peace comes. Ask for *It's An Amazing NEW West* today.

METROPOLITAN OAKLAND AREA, 392 Chamber of Commerce Bldg., Oakland 12, California

4507



is at
its very heart!

ALAMEDA ALBANY BENKLEY EMERYVILLE HAYWARD LIVERMORE OAKLAND PIEDMONT PLEASANTON SAN LEANDRO RURAL ALAMEDA COUNTY

"The term 'service charges,' " writes Mr. ROKAHR, "suggests that the depositor is charged for all services which he gets from a bank, when as a matter of fact the charge is *only for the difference* between what it costs the bank to render the service and what the bank may be able to earn on the depositor's balance."

"I wonder if the offering of a prize for a better name might not stimulate bank men and women to think out a solution of this public relations problem."

Well, BANKING isn't offering a prize, but any readers who have an idea or two on this subject are invited to jot them down and send them to us.

Keeping in Touch

FROM a soldier BANKING recently received a letter that seemed to reflect a want felt by countless man and women in service.

On stationery of the 104th Infantry Division ("Nothing in Hell Can Stop the Timberwolves" is its motto), S/Sgt. RALPH E. PETERSON of the Division's Finance Section wrote:

"Due to the trend of our outside reading material being rather of necessity confined to war news and a few brief headlines from the States, it is a likely probability that we are losing perspective to some degree on activities in business at home.

"Accordingly, can you mail us the past six issues of BANKING together with whatever recent educational and in-

"It serves to remind folks there's still a war on!"



June 1945

Available...TODAY



FRIDEN Fully Automatic Calculators

need not be classified with appliances to be waited for until the War is finally won. They are AVAILABLE *today* when applications for deliveries have been approved by W. P. B. Why not telephone or write to your local Friden Representative and conveniently arrange for a demonstration of these modern calculators that are so easy to operate and which produce the usable, accurate figures that are demanded of business today.

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TEN LITTLE GUSTAFSONS

... all in a row! There are Alma, Bert and Caroline, Greta, Howard, James and John, and finally Kenneth, Thorwald and William. The reason they are all in a row is because they are neatly arranged in a bank file as they all have checking accounts in the same bank.

The ordinarily pleasant and composed young lady who is attempting to file checks appears to be a little confused. She seems to be having trouble reading the various Gustafsons' signatures despite the fact that their checks are all nicely arranged in alphabetical order. Or maybe it isn't the Gustafsons who have her confused. Perhaps she is worried about the twenty-two Jones boys in the next file, some of whom wield a wicked pen.

This young lady will get the job done right ... there isn't any doubt about that ... but it's a little hard on her because she has to READ signatures whereas a more experienced person might KNOW them. How much easier it would be for her if all those

checks carried the printed names of the depositors!

The wide acceptance of Personalized Checks has been so amazing that it isn't too far-fetched to think that the day might come when all depositors will use them. Maybe the cost could be tied right in with service charge schedules. In the meantime banks from coast to coast have sold, and are selling, hundreds of thousands of their customers on the idea of using imprinted checks, and public acceptance continues to accelerate.

To those banks who wish to give added impetus to their sales campaigns on Personalized Checks ... we want them to know that we are eager to help if we can make any further contribution. To those banks, large or small, who either have not started selling Personalized Checks on a planned basis or who may be interested in a better quality package ... we invite them to consider the DeLuxe plan and examine the DeLuxe package.

De LUXE
CHECK PRINTERS

Manufacturing Plants at:

NEW YORK, CLEVELAND, CHICAGO, KANSAS CITY, ST. PAUL

Where Was America's First Dental College Located?

The first dental college in the United States was the Baltimore College of Dental Surgery, organized in Baltimore in 1839. . . To-day, Baltimore is one of the nation's busiest war production centers and the Equitable Trust Company is one of its busiest banks. By keeping constantly abreast of conditions in this important industrial area, the Equitable Trust Company is able to serve "out-of-town" banks quickly, intelligently, thoroughly. We invite your inquiry.



Equitable Trust Co.

Member Federal Deposit Insurance Corporation

Baltimore

Bouquet Derby

RECENT winners in our Bouquet Derby, as evidenced by readers' letters of compliment, have included the editorial pages and the articles on bank buildings by PERRY COKE SMITH and J. C. WILKINSON.

formative literature you may have on hand for distribution purposes?"

We did.

Bank Birthdays

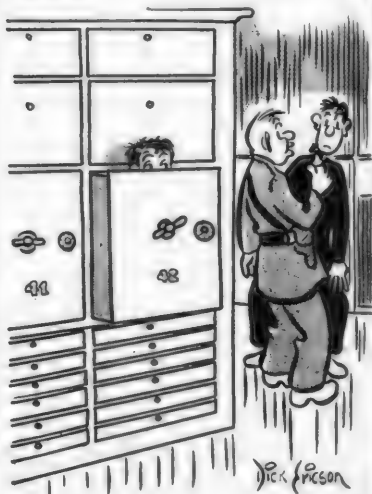
THE NATIONAL CITY BANK of Cleveland reached the century mark on May 17. The celebration included an exhibit of pictures of Cleveland during the century, the bank's original minute book, City Bank notes of Civil War vintage, and a copy of the bank's original charter, the original of which was destroyed by fire many years ago.

THE PEOPLES NATIONAL BANK of Steubenville, Ohio, celebrated its 40th birthday this Spring. . . FIRST AND MERCHANTS NATIONAL BANK of Richmond, Virginia, was 80 on April 24.

Winner!

TO HELEN TIMMONS, of the Bridgeton National Bank, Bridgeton, New Jersey, goes the \$5 prize in BANKING's April picture title contest. Miss TIMMONS' entry was so original that we reproduce it on page 72 (Methods and Ideas). She, like many contestants, sent several titles. Our choice is:

"Oh, him? . . . He's just the new bank examiner!"



JOHN L. COOLEY

BANKING



From under their daily mountains of paper work, many a secretary, and many an executive, has paid conscious or unconscious tribute to the wartime efficiency of the Smith-Corona typewriter. Its easy "write," speed in action and freedom from repairs have earned it a special place in the affections of its users.

L C SMITH & CORONA TYPEWRITERS INC SYRACUSE 1 N Y



SMITH-CORONA

DANGER

men dreaming

Fighting in the foxholes of the Pacific, mopping up in Europe our G. I.'s are dreaming of the day when they will return to the good old U.S.A. Over 1,000,000 plan on going into business for themselves of which 50% intend opening retail stores. They dream too of the money banks will lend them to begin these enterprises —and therein lies the danger. These men must not be discouraged, but they must be soundly guided and advised. This delicate job rests mainly with the banks.



As a help to banks Butler Brothers has prepared a brochure giving the requirements necessary to open a retail variety or dry goods store. From the facts presented in this brochure a banker can secure accurate data on the amount of capital required for various sizes of variety and dry goods stores, as well as important information on the kind of store his community will be proud to welcome. For your copy of "Danger—men dreaming" write Dept. BKG. Butler Brothers, Canal and Randolph Streets, Chicago, 80.

BUTLER BROTHERS



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Bird's Eye View . . .

JUST looking at the outside, as Defoe's little feathered home-builders are, can't possibly convey any idea of the comforts and advantages which are being perfected for your postwar home!

● ● Many new features that will save hours of tiresome housework are among the advancements in functional design, planned by Defoe's Housing Division for homes of tomorrow, large and small. These scientifically planned Defoe home-units

will offer not only beauty and individuality of design but also the financial advantages made possible by modern mass production methods.

● ● And remember that today, while you're investing in War Bonds to do your part in defeating the Axis . . . you're also steadily building up a nest-egg that will help finance your future home, when you're ready to build!

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★★★★★Five White Star Renewal Citations now decorate the Navy "E" Award won by Defoe workers.

SHIPS FOR VICTORY
SERVANTS FOR PEACE

They Found a Way to Sell Air

One of a series of articles addressed to bankers who are interested in small business.

MAKE a frame of two-by-fours, cover it with window screen, stuff with steel wool, put the contraption in front of a fan that sits in a window, and presto!—you have the makings of an air filter business.

You do, that is, if you also have imagination, push, perhaps a helpful friend or two, and a bank that's willing to do a little risk lending.

The formula for the success of the American Air Filter Company, Inc., of Louisville, Kentucky, may not be quite so simple as that, but those are the principal ingredients. The story of the company's origin and growth, aided by a couple of bankers who realized that although air is supposed to be free, clean air might be sold, is again a story that begins: "Once there was a small business . . ."

This one starts in the automobile paint shop owned by William M. Reed and Ben Robertson in Louisville. The year was 1920, and Reed had returned from two years in the Army to resume his place in the growing business. Those were the days when it took 20-odd coats of paint and a final one of shiny varnish to make a car presentable. The painting was fairly easy, but the varnish—that was another matter. The trouble was that it took several days to dry, and during that period Demon Dust did his dirty work. Each dust particle made a blemish on the glossy finish.

Reed tackled the problem by designing a new paint shop with an airtight finishing room. But that didn't work; when the air in the room became saturated with volatiles, the drying

stopped. More air had to be admitted, so a hole was cut in the wall and a fan installed. But how about the dust?

Then Reed had an idea—a frame of two-by-fours covered with ordinary window screen, set in front of the fan opening. The frame was filled with steel wool, and then sprayed with oil.

It worked! Not only was the car finish improved, but the drying time was cut 50 per cent.

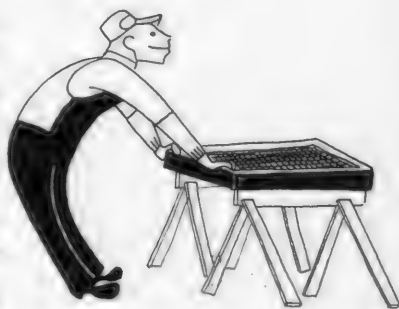
"Maybe," said Messrs. Reed and Robertson to each other, "maybe we've got something here—something that will interest other paint shops. Sort of a sideline business that can be peddled to non-competitive shops in districts far from the bailiwick of the Louisville Auto Paint and Trimming Co."

BACK from the wars at about this time came Chester P. Hegan (now a vice-president of American Air Filter), looking for something to do—something with promise. An old friend of Reed and Robertson, he heard about the new filter and waxed enthusiastic over its possibilities.

"Boys," said he, "let's go to town with this."

So he was made manager of the air filter department of the paint company, and set up shop in the rear of a nearby grocery store. Business, naturally, was a bit slow, but the new department got an order for an installation of four filters, two feet square and four inches deep, and it did look as though Bill Reed's gadget might be on its way.

At midyear 1922, Howard C. Murphy (he's also a vice-president now) appeared on the scene. Sales manager of another filter company, he appreciated the potentialities of the business. (Reed and Robertson, incidentally, were un-



aware that any other company made air filters.) Murphy made a routine call on a firm headed by a relative of Hegan. The latter happened to be in the office and listened with amazement to Murphy's sales talk on the product that was competing with his.

"I must tell Ben and Bill about this fellow," thought Hegan.

A few months later Murphy, having had a disagreement with his firm, called on the proprietors of the Louisville Auto Paint and Trimming Company. He painted a glowing picture of the dusty industrial world that was waiting for air filters, and he talked in terms of big orders.

"I don't mind telling you," says Ben Robertson, "that I thought Murphy was completely insane."

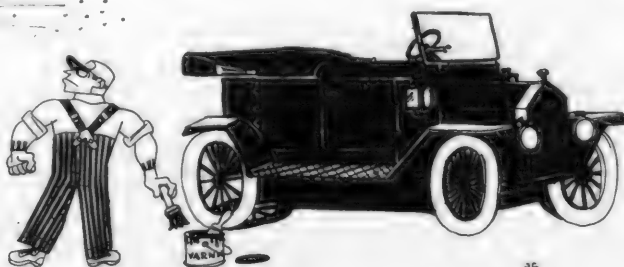
But the salesman was good, and Robertson telephoned Reed, who was out of town, relaying Murphy's story.

The result was that Murphy agreed to go to work the first of the year on a 5 per cent commission basis. The business was to be renamed the Reed Engineering Company and it was planned to take offices in downtown Louisville.

"By the time I arrived for work in January 1923," reminisces Howard Murphy, "Ben and Bill had definitely cooled off. Apparently the boys, on the basis of their modest standards of selling air filters, just couldn't imagine anybody buying a hundred or more of the things at a time."

So Murphy found that his desk was to be, not in a big office building, but in the automobile paint shop. He spent the first few days in his room writing air filter data sheets, a procedure that completely baffled the officers of Reed Engineering. Then he took a road trip.

Ten days later he was back. "Boys," he said, "look at this." He had an order for 100 unit filters from the Packard



Double Backing



When you place a standard fire insurance policy in your safe deposit box, you know that many of your neighbors are keeping identical pieces of paper.

The policies all bear the same printed conditions and promises. Whether you have made a better or poorer purchase than your neighbors depends on the *double backing* of a good agent and a good company which lies in wait with your own piece of paper.

If your agent has done a conscientious job with your coverage needs—

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Then the superior strength of your policy will come to light when a loss occurs, and at a time when quick financial assistance beats all the sympathetic words in the dictionary.

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Motor Car Company. The small business was growing up.

All sorts of problems appeared, and not the least was financing. Reed and Robertson went to see their friends at the Liberty National Bank and Trust Company—former President John E. Huhn and Vice-president R. M. Fible—and the result was that the bankers saw the little company through some tight spots.

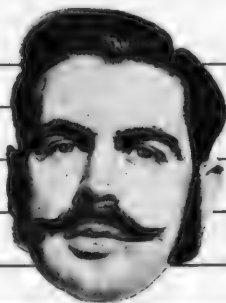
Meanwhile, the making of a hundred filters in the back room of the grocery store was getting to be quite a task. Hegan had charge of production. The auto shop painted the frames and baked them in the fender ovens. Welding was handled by a small shop across the street, and the sheet metal work was done elsewhere in Louisville. Filters were stacked on the sidewalk during the day so as to make room inside for working on the Packard order.

WHILE this was going on, Murphy was stumping the country, spreading the gospel of clean air and lining up his old contacts. Orders? He was showered with them by the larger automobile plants which had been looking for a solution to their paint-drying problem.

By 1930 the air filter industry had begun to spread its wings. Ben Robertson retained his vice-presidency in the filter company, but had started the Reliance Varnish Company which he now heads. During that year the consolidation of the Reed Air Filter Company with the major air filter manufacturers into what is now the American Air Filter Company, Inc., took place. Progressive industry had literally buried the company with dust problems. Manufacturers of food products, photographic film and textiles demanded "super-clean" air—mold spores, bacteria and minute dust particles had to be brought under control.

Today American Air Filter has divided its efforts into four major divisions: filtration, dust control, new products, and research. The firm has developed several revolutionary pieces of equipment. The air filtration division has a

(CONTINUED ON PAGE 23)



CLIPPERS ON THE SIDES

The truth is, many business forms need a haircut.

Cars, clothes, bathtubs, telephones are functional. But typewritten communication between firms and within a firm is still too complicated and costly. Whiskers slow down the wheels.

Moore Business Forms, Inc., offers you tested ways to reduce the cost of your entire business form system.

An example: A large manufacturer

filling war orders had been using shipping label, invoice, shipping memo and packing slip. Four forms, four typing operations, four operators. Moore was invited in. Moore studied factory procedures; suggested a modern continuous form construction; combined four forms into one.

The nine companies listed below have long been under Moore ownership. Now they are united under the

Moore name, to form the largest company of its kind in the world. Moore studies, recommends, then prints — a thousand or ten million copies.

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MOORE BUSINESS FORMS, INC.

ADV. BY N. W. AYER

Men of importance are limited less by their gifts than by lack of time.

Thus the business letter must often become the personal emissary of the executive.

It is obviously important that each such emissary bear the mark of executive distinction. It should speak for the writer not only through content and phraseology, but through appearance and tangible substance. It should reflect the prestige of its author.

Your letters will be thus distinguished...

if they are written on America's most distinguished stationery, Ecusta Fine Flax business and air mail paper. Made from American-grown virgin flax fibre, Ecusta stationery has no equal in America today for whiteness, beauty of texture, dignity and character.



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H.C.* helps Jones take his discount

*H.C. means hidden credit (inventory)
— used as security for a bank loan.



1 Just before his peak season, Jones received an extra shipment of raw materials on a 2% 10-day discount basis. But his cash was needed for production and payroll!



2 How could he take that discount? Then he remembered Lawrence Field Warehousing. His new inventory was hidden credit... through Lawrence it could be security for a bank loan!



3 Jones paid cash for the shipment... Lawrence issued a warehouse receipt against it... the bank made a loan. So Jones saved his cash discount, had the extra materials he needed, and the working capital, too.

ALMOST every business undergoes periods when its working capital is "over-employed." Then the Lawrence System field warehouse receipts, for Lawrence System inventory from cans to chemicals, from feeds to flour, are acceptable security for bank loans. And the inventory stays right on your premises, always available for immediate use.

For thirty years business men have used this business-like method of releasing frozen funds to make further purchases and to meet current payables. Ask your banker about the nation-wide Lawrence System. Or call your nearest Lawrence office.

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YOUR CUSTOMERS are often unaware of their actual borrowing power. Lawrence is currently pointing to their "hidden credit"—showing them how to use it. In this way, Lawrence exposes the *hidden collateral* on which your bank can build additional, safe inventory loan business.



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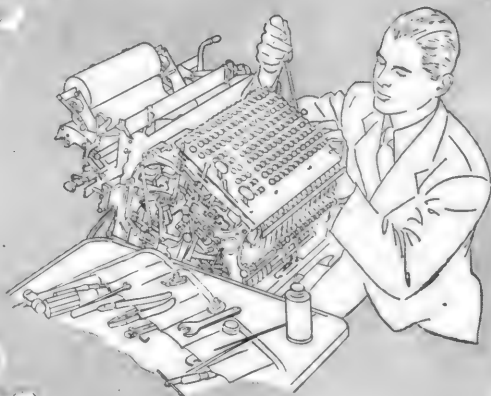


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A Way to Sell Air—Continued

filter that can take out of the air particles as minute as tobacco smoke. Another ingenious device controls harmful dusts created by manufacturing processes, confining it at the source. Variations on the principle have been useful in the war effort.

The company's first important contribution to the war was made in the early days of the North African campaign. It was found that dusty make-shift runways played havoc with aircraft engines. After 30 to 40 flying hours cylinders and pistons were so badly scored by sand and grit that motors had to be rebuilt—and replacement parts were precious. Carburetor intake filters increased the time between overhauls to as much as 600 hours; they are now being made for all leading aircraft manufacturers.

ANOTHER wartime production feat was the conversion of one plant to the manufacture of hull sections for the famed LST craft, and of superstructures for other type landing craft. Also, there is the neat little tank ventilating unit, which aside from cleaning the air inducted into the tank, maintains a positive pressure within the tank to force the gases from the breech of the guns out through the muzzle—a problem that had been worrying the Armored Division's high command for some time. Despite an all time high of \$8,250,000 grossed last year, American Air has kept its feet on the ground by expanding a research laboratory to twice its former size and by setting up a definite program of research on a long-range basis.

At this writing, the program is running well ahead of schedule in the projects outlined for it by a research council composed of top management and the heads of the sales, engineering and research departments.

AMERICAN Air has three plants employing today in excess of 1,500 people and a weekly payroll of \$65,000, handled by Louisville's First National Bank. Louisville Trust Company has the corporation account while Liberty National has the freight account. Guaranty Trust of New York takes care of the dividend accounts.

And it all started with an idea about selling clean air which we've always heard was free!



IN BUSINESS THE FUTURE IS ALWAYS NOW!

If you are a businessman you know that tomorrow and its problems are here and must be dealt with . . . today.

At the very top of the list of the many things to be done, is a review of the present financial situation of your business and a realistic examination of what the tremendous events ahead mean to its future.

You may face the task of converting from production for war to production for peace or you may have some new product for which a market must be established. This may call for new financing involving the marketing of large blocks of stocks or bonds, or the whole corporate structure of your business may call for revision.

It is precisely in such situations that the 56 years of experience of the firm of Hornblower & Weeks can be of service to you. Our Underwriting Department is as near to you as your telephone . . . and an interview with a Partner can be arranged without obligation and in the strictest confidence.

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"So Nice to Come Home to"

This letter from the father of two soldiers sharply emphasizes the practicability of systematic saving by servicemen. For another example of thrift at work in the Army see BANKING's cover, and the explanatory remarks on page 1.

I HAVE two sons in service, one an officer in the Airborne Engineers, and one recently promoted to corporal in the Air Forces. Both boys went into service from college.

From the beginning I insisted they send some money home. The older, by virtue of Airborne Troop pay, has an allotment made to me of \$140 per month. The younger has allotted \$15 per month. In addition, at irregular intervals, extra money is sent home. Both are also buying War Bonds.

These boys each have a savings account, to which I have access. They have also a joint account in which I can buy (not sell) securities which we decide are good investments.

One son entered the service with the National Guard about a year before Pearl Harbor, the other in 1943. I let the savings accounts build up to where I can make a small investment for them. In no way do I use their money for questionable purchases but select stocks of corporations that represent the backbone of American industry and business. As soon as the purchase is made, the certificate is ordered in both names, with rights of survivorship.

Each month I render a typewritten statement in the form of a balance sheet. Each statement ties in with the previous month so they will only have to check against the last statement.

When I started this I had visions of the account reaching as much as \$2,000 or \$3,000. At the present time these boys jointly have an account of over \$6,000 and it may be \$10,000 by the time they return.

I believe every serviceman should save something, not altogether for the material value but also for psychological effect. As a soldier in World War I, I remember it was pretty easy "to spend it all."

A soldier, generally speaking, has no financial worries. He eats, sleeps, is clothed and has hospitalization whether he is broke or not. Also it can be said a bank account, built by regular savings, will be "so nice to come home to."

A. L. CLEVINGER

BANKING

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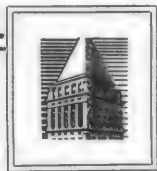
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A Village Bank in the City

MARY B. LEACH

A GENERALLY accepted viewpoint is that large cities are very impersonal, with frigid hearts. This is not true—at least so far as New York City is concerned—for it is largely a number of smaller communities unified into one great metropolis, with people living there from every state in the Union and from practically every nation. And one finds, upon better acquaintance, that these people have the same hopes, fears, aspirations and capacity for sympathetic understanding as people everywhere.

New York's immensity, at times, does cause it to appear a bit overpowering, especially when it comes to arousing community spirit; however, one of the best proofs that this fellowship can be created and made to pay dividends, when a systematic plan of public education is followed, comes from the Uptown Office of The Bank for Savings, the oldest mutual savings bank in the State, having been organized in 1819.

The office was opened on April 16, 1928, at the corner of 70th Street and Third Avenue, which is in the heart of the Yorkville district of Manhattan, one of the most interesting sections of the city. This neighborhood is largely residential, with some of New York's most modern and exclusive apartments and private dwellings west of the Third Avenue elevated and principally outmoded dwellings and tenement houses to the east of the El.

The population of Yorkville is approximately 220,000, about one-third of whom are foreign born, chiefly Germans, Irish, Czechs, Hungarians, Itali-

Window exhibit of Yorkville Branch, New York Public Library, emphasized wide range of books available to the family circle



ans, Austrians, Russians, Swedes, Poles, French, Canadians, Negroes, and Orientals.

From the time the Uptown Office was opened, a sustained program of public relations was followed to weld this heterogeneous group of citizens into one community of bank customers. The first step in this program, according to Manager and Deputy Comptroller Henry J. Helck, was to forget that the bank was located in New York City and to treat the district as a self-contained community.

It was the job of Marjory C. Todd, one of the few employees at the Uptown Office who was there from the start, to go out among the Yorkville residents to sell the new bank to the community. She approached her work by contacting key people in a great many neighborhood organizations and acquainted them with the services of the bank and

of its desire to learn of the work of these groups, so that they could be mutually helpful.

This was virgin territory and many of the citizens, especially the foreign born, were unaccustomed to having a bank seek them out and ask for their business and offer to assist their community enterprises. However, the residents responded, though somewhat hesitantly in the early days, to Miss Todd's talks to adult groups in churches, clubs, hospitals and settlement houses, etc., on thrift and savings, budgeting and current events, and began depositing their savings in the new bank and had their first experience with a bank which was erecting a superstructure of good public relations.

In her approach to the younger generation, and indirectly to the parents, Miss Todd arranged for school children to visit the bank—and still does—where they were shown how a savings bank functions and how it invests and protects their funds. The large vault door and the mechanical devices used in operating the bank were sure-fire in interesting children in the bank.

Another feature of its public education program was a series of mothers' club parties at the bank after closing hours, with neighborhood houses co-operating in program planning. The average attendance at these affairs was about 300. The bank's glee club participated in entertaining the guests and neighborhood children gave recitations and put on native folk dances in costume.

Some of the bank's present tellers came

Visiting Nurse Service of New York is one of the city's finest welfare groups. Display at The Bank for Savings called attention to scope of its service



Your BEST MOVE Investigate TENNESSEE



Moving your plant to TENNESSEE places it in position to utilize the giant hydroelectric system of TVA and to take advantage of the lowest power rates in Eastern America, also in a central location that permits 24-hour delivery to 51% of the nation's population.

Moving your plant to TENNESSEE places it in a strategic location where it can command an unsurpassed variety of major industrial minerals and agricultural products, and an abundance of cooperative, skilled and semi-skilled native-born labor.

Moving your plant to TENNESSEE places it in a state that has ideal living conditions for both employer and employee and where tax structures are sound with no personal earnings or sales taxes.

Moving your plant to TENNESSEE is YOUR BEST MOVE, for it offers many advantages for your particular industry. Write for specific information and surveys relating to your own requirements.

Tennessee Industrial Planning Council

735 State Office Bldg.

Nashville, (3) Tenn.

Investigate TENNESSEE

THE FIRST PUBLIC POWER STATE

from these early groups that came to the bank to learn and to play.

The bank has consistently encouraged the opening of savings accounts for youngsters from both sides of the track. Because of its sizable number of customers having a foreign background, the bank has made it a policy to emphasize in its promotion material and through the use of display signs in its lobby, its foreign exchange facilities, at reasonable rates.

Customer convenience also has a place in the bank's public relations program. For example, a comfortable lounge, at the side of the bank lobby, is available to all. Also, conveniently placed in the lobby is a receptacle in which customers may place their books and magazines for the Seamen's Church Institute. The collection of books is an outgrowth of the interest stimulated in the Institute by a window display showing the hobbies of merchant seamen.

For the past year the bank has earned extra dividends in goodwill through a series of window and lobby displays publicizing the usefulness of various community groups. For this purpose the bank makes available a prominent window and showcases within the bank to organizations interested in providing displays that tell the story of their service to the city. In many cases the displays are timed to coincide with special events. For instance, while the Lenox Hill Neighborhood Association was celebrating its 50th anniversary, it used the window to show the work done by its classes. Other typical examples of the dozen or more exhibits, each of which runs for a 30-day period without charge to the exhibitor, are the following:

St. James Episcopal Church, which numbers among its members many leaders in New York business and social life, during the celebration of its 135th anniversary exhibited a collection of fine old silver used in the early days of the church, such as chalices, collection plates, etc.

Visiting Nurse Service of New York through its display showed a day's activity in the life of a visiting nurse.


Yorkville Branch of New York Public Library illustrated, by the choice of books on display, how it serves the entire family.

Hunter College depicted the work of adult evening classes during registration.

CONTACTS with these organizations are made by Miss Todd, who cooperates (CONTINUED ON PAGE 30)

10,155 MILES OF CHECKS

*Enough to Reach
HALF-WAY
'Round the World*



It would take a lot of checks, placed end to end, to extend halfway around the world at our latitude—a distance of 10,155 miles. But our Transit Department, working with maximum speed and efficiency in its daily transactions, handles this great volume of business in *an average year*.

Because of what our correspondents say of our methods of operation, we feel that the *miles of checks* handled by our Transit Department are also *milestones of achievement* for The Philadelphia National Bank.

We will always be glad to discuss possible correspondent relationships, and will do so informally if you prefer.

THE PHILADELPHIA NATIONAL BANK

The Oldest and Largest Bank in Pennsylvania

PHILADELPHIA 1, PA. ★ ORGANIZED 1803

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION



PICTURE OF A MAJOR MARKET

*...which is still
growing!*



Population, income, retail sales, and other figures paint an impressive picture of the California of 1945. More important to business and banking executives everywhere is the fact that this market holds promise of continuing development.

If the possibilities of this market are a serious consideration to you, follow the lead of business, industrial, and banking executives everywhere. Direct your inquiries to this bank which serves California through branches in more than 300 cities and towns—a statewide service which offers many unique advantages. Inquiries will receive prompt attention.

◀ RESOURCES OVER 4½ BILLION DOLLARS ▶

Bank of America NATIONAL TRUST AND SAVINGS ASSOCIATION

MEMBER FEDERAL RESERVE SYSTEM • MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

Complete Banking Facilities - Commercial - Savings - Trust - Safe Deposit

Main Offices in the two reserve cities of California . . . San Francisco - Los Angeles



Blue and Gold BANK of AMERICA TRAVELERS CHEQUES are available through authorized banks and agencies everywhere. Carry them when you travel.

"Payoff"

Output of AAF Training Command Courses*

(Successfully Completed)

| | 1939 | 1940 | 1941 | 1942 | 1943 | 1944 | Total |
|-------------|------|-------|-------|--------|--------|---------|---------|
| Pilots | 696 | 1,786 | 7,244 | 28,782 | 63,399 | 82,487 | 184,394 |
| Navigators | ... | 44 | 601 | 4,477 | 15,972 | 22,180 | 43,274 |
| Bombardiers | ... | 18 | 310 | 5,760 | 16,101 | 19,214 | 41,403 |
| | 696 | 1,848 | 8,155 | 39,019 | 95,472 | 123,881 | 269,071 |



Beechcraft AT-11 Bombing Trainers



*"Here is the classroom of the navigation cadet, a silver twin-engine Beechcraft AT-7. These powerful trainers carry a team of five. They cruise for hundreds of miles on practice navigation flights from AAF Navigation School, Hondo, Tex., world's largest navigation school." ("Official AAF releases)

Mass production of the world's most highly skilled aircrews and technicians has been the job of the Army Air Forces Training Command for six years. How well that job was done is summarized in the table above. *The "Payoff" is told in the daily news of victories won by our fighting men on all fronts . . . victories made possible through our supremacy in the air.*

Almost all of the Army Air Forces navigators and bombardiers, and a large portion of multi-engine pilots,

received their advanced training in twin-engine Beechcrafts. The outstanding service record made by thousands of these Beechcrafts in the gruelling routine of fast-paced training operations is a forecast of the freedom from trouble and expense which owners of postwar commercial Beechcrafts may rightfully expect. Meanwhile, all facilities of Beech Aircraft continue 100% on production of Beechcrafts and A-26 Invader wings for the armed forces until the realization of complete Victory.

Beech Aircraft

CORPORATION



BEECHCRAFTS ARE DOING THEIR PART

WICHITA, KANSAS, U. S. A.

BANKING

JOURNAL OF THE AMERICAN BANKERS ASSOCIATION

JUNE 1945

FINANCING



AIRPARKS / / / AIRLINES / / / AIRPLANES

JOSEPH T. GEUTING, JR.

MR. GEUTING heads the Personal Aircraft Council of the Aeronautical Chamber of Commerce of America.

FIRST it was canal barges, then steamboats and railroads, and more recently, automobiles and trucks.

Each forward step in the progress of American transportation has made its impact upon our financial economy.

Frequently this was abrupt and direct, when applied to the financial structures of the transportation systems themselves. Of more lasting and marked influence was the manner in which each new form of transportation broadened business interests and markets on both a national and regional scale.

Now we face a new era—transportation in the air. This has its commercial aspects approaching those of the railroads and the cross-country bus and truck services. But it also offers, through the development of personal flying for business or pleasure, potentialities for the establishment of many new enterprises, radically changed realty values, and local investment opportunities. It will have an effect upon the financial centers of every community, large or small, in the United States.

While aviation's future may be said to be still fluid, in that no one can predict how soon personal flight will be accepted as a commonplace of our everyday lives, there is solid evidence to prove that the end of the war will usher in an actual air age.

It is the very uncertainty attending the manner and scope of its probable growth that should make every member of the banking fraternity alert to the various ways in which his own interests will be affected.

There is the matter of airports and airparks, for instance. Small airplanes as well as large ones need places to land and take off. Realizing this, progressive communities in all parts of the country are sizing up their needs and planning how they can construct suitable

air landing facilities. Some localities with ambitious ideas are going overboard with costly plans for facilities that will not be needed. They should have the guidance of local bankers to curb their enthusiasms. For, as with anything else, the size and type of landing facility should conform with the actual requirements of the community. Erected on such a basis they will be public utilities that will repay the investment both directly and indirectly.

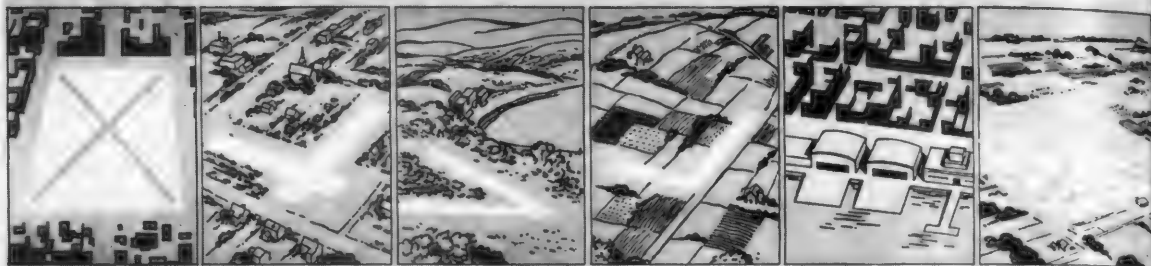
Other towns are holding back in making any plans for the coming of aviation. It is a new project and many people do not recognize its significance for the future of their community. They naturally look to the banker for advice and encouragement.

BUT how many bankers know much about the subject? Before taking the lead in developing landing facilities it is only logical that they would want first to be convinced of the advantages of having a local landing facility and, second, to know how to go about getting one. The first question, therefore, might well be: "Does my town need an airport or airpark?"

Aviation enthusiasts would counter this with other questions such as: "Does your town need pavements, a railroad station, street lights?"

Thousands of people are clearly indicating their intention to fly. Three million young people will return from the wars with technical knowledge of aviation; and there is every indication that personal flight will be as casual within a few years as automobile driving is now. The town that does not offer the flying public adequate ground facilities will be in the position of a community of 20 or 30 years ago that didn't offer hard-surfaced highways to the motoring public.

This will cost money, just as any public improvement. However, a banker looks at the results of an investment. It is obvious that a landing facility will not only serve the needs of a town's own citizens, but will attract the



"Planes," published by the Aeronautical Chamber of Commerce of America, thus pictures landing facilities

air traveling public. New businesses will spring up, trade areas will be enlarged, new sources for employment arise, and slum area properties can be converted into improved land that pays its own way, at least.

The cost of a landing facility need not be excessive. One advantage is that it can be started in a relatively small way and then expanded as conditions warrant. Large cities, catering to the commercial airlines, will want to provide airports, or terminals. These facilities may run into the millions. Smaller towns, and even the big cities, will want to establish much less costly airparks for personal flying.

Such airparks may cost only a few thousand dollars and still offer all immediately needed facilities. Take the small town of Eldon, Missouri, population 2,590. In a campaign in which the town's bankers took a leading part, a bond issue of \$25,000 for an airpark was approved by the citizens with a majority vote of about 9 to 1. Once the people knew what the airpark would mean to the community they approved the project. Since then, a manufacturing concern, attracted by the airpark campaign, has announced it will open a plant in Eldon . . . a surprisingly large number of residents have expressed an intention to buy and fly their own family planes . . . boys and girls in the services have written home telling of their future plans associated with local flying.

SOME of the talking points used in selling the idea to the community were:

(1) An airpark is a business, dealing in aviation services and equipment; therefore when an airpark is constructed a new business is established which will furnish employment to local citizens, some of whom will be returning servicemen and women.

(2) An airpark gives the community direct contact with every community in the world by air travel. One airport by itself has no value to the air traveler, but two airparks permit travel between them. The only limit to travel by air is landing and take-off facilities.

(3) Providing adequate airpark facilities immediately stamps a town as progressive and outsiders will be impressed accordingly.

(4) New firms are impressed by a progressive town and can be prevailed upon to locate in a community because of it.

(5) A city or town which does not have airpark facilities is like a town 70 years ago with no railroad facilities. Transportation facilities in the past have

determined the importance and subsequent growth of a community.

(6) A town without an airpark will be visited by air travelers only by accident, not by choice.

(7) Many young people will want to fly, either as a vocation or for pleasure. If the city fails to provide airpark facilities they will go elsewhere. They may even move away to where aviation facilities will be made available to them.

(8) Towns without airparks can have only one kind of air service, and that is pickup mail and air express. Passenger service, charter service and personal plane

Aircraft Loan Beacon

BANK recognition of the post-war airplane as a popular, privately-owned vehicle is provided in a manual "Aircraft Financing," issued by the Consumer Credit Committee of the American Bankers Association.

Pointing out that the fundamentals of financing airplanes don't differ greatly from those established in the automobile business, the manual says that banks entering the plane field "will probably be called upon to finance the retail sales of new and used planes and to arrange for floor planning of new and used planes for dealers." Other phases of the business will be the financing of flight courses and repair bills.

The manual contains illustrations of basic forms that should be used in connection with airplane financing and the necessary procedures to follow. It warns, however, that while these forms and procedures comply with the laws of many states, they do not necessarily fit the situation in all, and recommends that each bank have its own counsel "study and prepare proper forms that will not conflict with local laws."

Banks are advised that arrangements be made with an aviation insurance underwriter "to carry insurance on aircraft financing transactions involving retail sales by dealers, floor planning of new or used planes for dealers or distributors, and direct loans to individual owners."

"The fundamental differences in financing aircraft and financing other types of merchandise," it says, "arise from the limited number of sales contract points, the higher physical risks to which aircraft are exposed, and the relatively high cost of upkeep."

use will be denied residents of a town not having an airport.

According to circumstances, airports can be large or small. They can be located in the center of a city (converted slum area), on the shores of a waterway, in a park, or as the center of a new park section, adjacent to business or residential neighborhoods. Where town activities adjoin a river, bay, lake or sound, an air harbor can be constructed for planes that can alight on the water. Between communities, flightstops can be made at little initial cost and with practically no overhead expense.

But how does a town go about it? Fortunately, there are many sources of advice and information. These include government agencies such as the Civil Aeronautics Administration at Washington, or its regional offices, and state aviation departments and commissions. In addition, there are private no-profit organizations with proven plans. Foremost among these are the National Aeronautic Association, the Personal Aircraft Council of the Aeronautical Chamber of Commerce, both in Washington, D. C., and the National Aviation Trades Association, with headquarters in Kansas City.

THE best way to go about it, these groups say, is to form a local airport committee, preferably headed up by a banking executive. On the committee there should be representatives of the various civic and other groups such as members of the chamber of commerce, merchants, manufacturers or other business men, farmers, labor leaders, the clergy, newspapermen, and school principals or teachers. Of course local flyers should be invited to participate and advise.

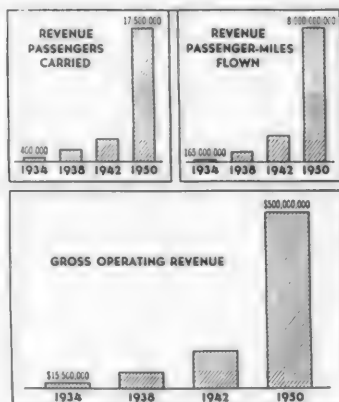
This airport committee can do most of the preliminary work, such as selecting available sites from which the best can be chosen by experts; round up public opinion; formulate an educational and selling plan; and provide all essential local data to Federal, state or private aviation organizations which will follow on from there.

The airport or other landing facility is probably the first consideration. But then there is the matter of building up local aviation business. Bankers will be approached by dozens of small business men and veterans after the war for counsel as to the establishment of a business. The field of aviation, properly studied and classified to meet the peculiar needs of the individual community, will offer many excellent investment opportunities. It is not too early to be investigating these.

There'll be airport management, aviation repair and maintenance shops, aircraft parts and accessories manufacturing, aircraft sales agencies, service departments, and many others.

Air transportation, while on a national scale at present, may, in the future, provide opportunities for local financial development. Many firms have applied to the Civil Aeronautic Board for certificates to operate area and feeder airlines. These will be small town and rural ventures providing passenger, mail and cargo service by air between towns, and also connecting with the trunkline air services.

The future of air transport in the U.S.A. as shown by the bank-insurance company survey



Lending Opportunities

BANK lending opportunities in the commercial airlines business are considered in the study "Airline Finance," conducted by Bankers Trust Company, the Mutual Life Insurance Company, the New York Trust Company and the Chase National Bank—all of New York City.

Estimating that the new financing required by the nation's commercial airlines will approximate \$500,000,000 in the next five years, the study makes available to financial institutions, as well as to the industry, data on the future financial needs of the airlines and methods of meeting their capital requirements. It contains detailed estimates of the expected growth and probable capital needs of the airlines, and describes various financial arrangements that are being developed to meet those requirements.

The sponsoring institutions point out that while this field offers attractive lending opportunities, lenders must have a relatively thorough knowledge of it and must provide efficient methods of financing. Medium-term lending, primarily of interest to banks, and longer-term loans, attractive to life insurance companies, are covered.

Outlining the dimensions of the financial problems involved, the study states that by 1950 domestic airlines will probably be flying some eight billion passenger miles as compared with 1.6 billion in 1943, and that gross operating revenues of the airlines will reach \$500 million in 1950 against \$152 million last year.

The great need for flying equipment (five times the seating capacity of the existing fleet will be required by 1950) is emphasized. Planes and spare parts will cost approximately \$300 million, with an additional investment of more than a third of that figure in hangars, maintenance facilities, etc. Also more working capital will be needed, bringing total possible requirements in the next five years to perhaps \$500 million.

At present, aviation offers a parallel to the position of the automotive group of a few decades ago. At that time, it will be remembered, few could visualize what the automobile meant to the community, both as a means of transportation and as a basis for financial opportunity.

The few who did recognize its promise cashed in handsomely, although of course many failed through excessive zeal.

It is foreign to good banking practice to rush into an unknown field. Nevertheless, aviation is very apt to develop rapidly (all the signs point that way), and informed bankers will be in a position to take advantage of the trend if they keep in touch with the subject from now on.

What part the Government will play in the future progress of aviation is not known. The aircraft manufacturers have repeatedly stated that they do not want subsidies, that they want only a clear government policy toward aviation. Several bills are now before Congress urging that the Federal Government participate in a nationwide construction of airports, the whole thing to be financed somewhat along the line of the highway system.

Whether this eventuates, aviation leaders express the belief that in the final analysis the success or failure of

community aviation development will depend upon the efforts of the community unit itself. It is for this reason that towns are being urged to make their plans now for suitable airpark facilities without waiting for a slow national movement to get under way.

CERTAINLY there will be air education generally throughout the school systems of all states, beginning with the grade school and extending into the colleges and universities. The tremendous publicity given to aviation in the war, the fact that school children will understand basic principles of flight, the knowledge that millions of young people will soon return to their homes avid for taking an active part in an air age—all these factors lead to the inescapable fact that America is destined to become more and more air-minded.

It is a banker's prerogative to keep abreast or ahead of economic tides. The progress of aviation as a national and as a community phenomenon bears watching and invites early action.

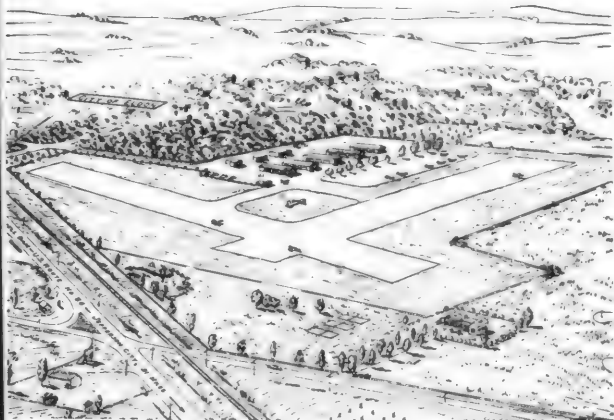
A Model Airpark

THE "guinea pig" airpark being developed at Eldon, Missouri, is attracting wide attention. It is designed as a model, experimental field where information will be developed for other communities on the planning, financing and equipping of landing facilities for personal planes, field construction and maintenance costs, income, and other data that will help small towns interested in a similar undertaking.

The idea for the project originated in the Aviation Development Section of the Missouri Department of Resources and Development, which is supplying the plans and supervision for the construction.

The City of Eldon is financing the airpark through the sale of \$25,000 in 1¾ per cent bonds. The issue was approved by the townspeople by a vote of 682 to 77 after a whirlwind campaign by an airpark committee and numerous citizens. Since the project got under way, reports the Department, six manufacturing firms have conferred with city officials about the establishment of new plants in Eldon. One company has already been taken care of and at last reports \$50,000 was being raised to provide accommodations for another.

Architect's drawing of part of the Eldon airpark



Inquiries about the airpark are being received from many places in the United States, Canada and Central America. Servicemen have written their approval, and the aviation industry has shown its interest by aiding Eldon and the Resources and Development Department in developing the airpark as a contribution to progress in sound aviation.

Endorsers of the experiment include the National Aviation Trades Association and the National Aeronautic Association, while the Personal Aircraft Council of the Aeronautical Chamber of Commerce of America is giving active support and will sponsor the dedication.

Present plans call for expenditure of \$11,000 for the 101 acre site. The tract lies in the city limits, four and one-half blocks from the business district. It is also adjacent to U. S. Highway 54. Construction cost estimates are: Grading \$2,500, fencing \$750, entrance roads and parking area \$750, seeding and fertilizer \$500, drain and tile \$1,450, field marking \$300, landscaping \$750, re-locating oil tanks \$1,250, cleaning \$250, combination service and administration building \$5,000 and incidentals \$500, or a total of \$25,000. Special road district and city grading equipment will be utilized to save expense on grading.

Manufacturing firms and oil companies have indicated a willingness to participate by providing equipment for test purposes and as exhibits on the airpark.

Research work on new ideas and airpark equipment will continue for five years. Plans are already being made to develop new materials for runway surfacing and night lighting equipment at a cost in keeping with what the average community can afford to pay.

Sponsors of the project hope to be able to get the answers necessary to put the small local airport on a sound business basis and to discourage waste in building the "white elephant" airport or the cow pasture down-at-the-heel flying fields of the pre-war area.

BANKING

From ANNAS to ZLOTYS

HELEN S. PIPER

MRS. PIPER, an experienced newspaper woman, is wife of the financial editor of the San Francisco News.

A SAN FRANCISCO bank. An unhappy foreign gentleman with two hands full of luggage. "Please"—and there is pain in the gentleman's voice—"where does one get a typewriter repaired?"

If the bank's cashier is surprised, he doesn't show it. With a heart-warming grin he answers, "We'll take care of it right here."

That, in a sentence, is how the San Francisco banks served the great United Nations Conference on International Organization.

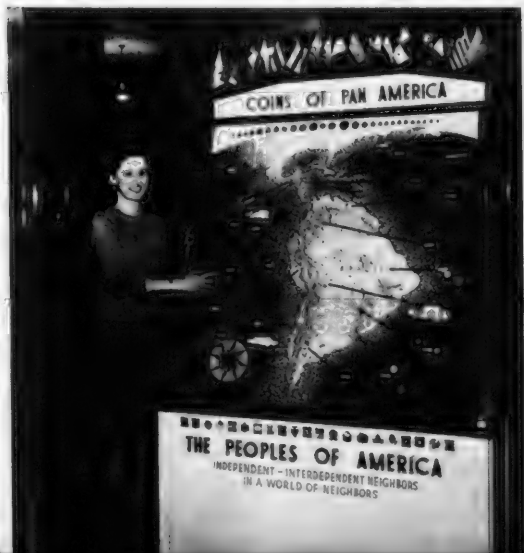
To go on with the story, the broken-down typewriter turned out to be two typewriters. The cashier, being a man of accomplishments, fixed one on the spot. He whisked another from his own office. And, in a matter of minutes, the foreign gentleman and the San Francisco banker formed a rugged link in the chain of international friendship.

"And why," you may ask, "did the foreign gentleman bring his trouble to the bank?" He was invited to bring it there. Following in quick succession the announcement of the conference and his appointment to attend it, came a letter; and the letter said the bank desired to serve him in any way it could.

With two unusable typewriters, he needed to be served. In his distress he needed something more than the United States Government, the City of San Francisco and the Citizens' Committee. He needed two typewriters that would work.

Other visitors needed typewriters too—the kind that write Russian and Chinese and Greek. And someone else needed an office for special committees and a meeting place big enough to accommodate 70 people, and an

Dorothy Robinson, of The Anglo California National Bank's staff, points to interesting display of Pan American coins on display in bank's head office lobby during UNCIO



Banker Maddux receives Commissar Molotov's thanks for his part in furnishing war relief to Russia

art room for photographers, and two safes to protect something too secret to mention.

San Francisco's 13 banks and scores of branches filled the orders. Without anyone planning it exactly that way, San Francisco bankers came to be the city's personal hosts, the foreign delegates' special friends.

Serving on the Mayor's Conference Finance Committee, James K. Lohead and William M. Hale, president and executive vice-president of the American Trust Company, Parker S. Maddux, president of the San Francisco Bank, and Daniel J. Murphy, vice-president of the Crocker First National Bank, raised \$100,000 for civic expenses. Mrs. Henry Potter Russell, a Crocker Bank director, and C. E. Baen, assistant vice-president of the Anglo California National Bank, served under "Hospitality," and Jackson D. Baker, vice-president and trust officer of the San Francisco Bank, worked with the committee on entertainment.

Mr. Maddux was one of the few San Franciscans to meet personally Russia's mystery man, Foreign Commissar V. M. Molotov. During the conference, the leader of the Soviet delegation was the most sought after man in the city. Daily, hundreds stood waiting outside his hotel to catch a glimpse of him as he departed for sessions at the War Memorial.

Mr. Maddux is Northern California chairman of the Committee for Russian War Relief. He and Molotov met the day before the Russian diplomat left by plane on his return to Moscow. Molotov expressed his country's deep appreciation for relief supplies of clothing, household kits, medical supplies and foodstuffs.

J. F. Sullivan, Jr., vice-president of the Crocker and the city's popular police commissioner, took every precaution to protect the property and lives of the world's important visitors

Busses and street cars were shuttled through restricted conference areas without stopping. Blocks adjacent to the buildings housing the open sessions and committee rooms were under heavy guard, and could be entered only upon presentation of proper credentials. Plainclothes men, familiar with criminals of all types, were imported from every big city in the country. And Mr. Sullivan himself was chief liaison officer between the Army, the Navy, the FBI and the foreign secret service and military guards provided by the 46 countries for their special delegates.

The banks, of course, carried sizable sums deposited by the conferring nations for delegation expenses. Only one country ran into difficulty. It was a small, war-harassed country whose representatives had been out of touch with money for so long that even carfare was a matter of importance.

The delegation checked in at its appointed hotel and found no letters of credit, no funds and no advice on how to get along without cash until the Bretton Woods plan might possibly provide some. Broke and bewildered, the members carried their problem to the huge vaults of the Federal Reserve Bank of San Francisco. Fortunately, the difficulty involved only time. And temporary assistance was arranged until the country's deposits arrived and were available.

L. E. TOWNSEND, advertising manager, and Fred Yates, public relations manager of the Bank of America, solved the newsmen's grumble: "Where can I cash a check?" Magic cards were issued. The magic card, presented with a check at any Bank of America branch, brought forth money. And the "no charge" for this service stacked up considerable goodwill for both the bank and the city.

More than that, because the bank is the largest branch bank organization in the country, the State Department permitted it to establish a branch in the conference headquarters at the War Memorial Building, where it was accessible at all times to both delegates and the press. The branch was manned by Marcel Delabriandais and Leo Valenzuela, who speak English, Spanish and French. A telephone direct to the bank's foreign department made it possible to accommodate visitors speaking other languages.

Bank of America Veterans Memorial Building branch, with Marcel Delabriandais and Leo Valenzuela in foreground behind counter; Chilean and Uruguayan delegates at the counter



On the colorful side, Miss Dorothy Gee and the pretty Chinese girls who operate the Bank of America's Chinatown branch, wore their native costumes during the conference. The building's oriental architecture and the young ladies' charm added one more touch of color to be remembered by the visitors.

San Francisco itself was thrilled by the conference. On afternoons of the plenary sessions, bank desks were noticeably unoccupied. One second vice-president complained, "I'm the only officer here. All the others were able to get tickets to the conference."

Civic clubs and labor unions and even children in the schools were demanding to know the answers to Bretton Woods and peace and the world's possible future.

When the clamor became insistent, the State Department offered Oliver P. Wheeler, director of research for the Federal Reserve Bank, as its official spokesman.

FAMILY reunion was uppermost at the Bank of Canton. T. A. Soong, chairman of its board, welcomed his senior brother, Dr. T. V. Soong, China's first delegate.

And it was "company from home" at the Bank of Montreal, the Canadian Bank of Commerce and the Bank of California. G. T. Eaton, W. A. Finlay and James J. Hunter, presidents of the three banks, all hail from Canada.

Lawrence C. Freer, San Francisco representative of the Chase National Bank of New York, renewed his friendship with René Busson, president of the Syria and Lebanon Bank of Paris, and arranged for other bankers to meet Mr. Busson and René Plevén, French minister of finance.

The statistical departments of all the banks were made available to the delegates. And visitors were familiarized with agricultural, industrial and trade opportunities in California and the United States.

No branch of business played a more important role to the international guests than did the bankers.

And with the help and hospitality went a gay, beribboned gift—an etching—"San Francisco"—by Alec Stern. A. P. Giannini, founder of the Bank of America and recently retired chairman of its board of directors, was the donor. The gift carried a hope to the hundreds of delegates—a hope that the great conference would build its "House of Peace" beside the Golden Gate.



Dear Roy: when you return...

To his staff men now in service, WILMER J. WALLER, president of the Hamilton National Bank of Washington, D. C., last February wrote a letter offering the bank's help toward re-establishing them in civilian life, either with the bank or in some other kind of work. Here is MR. WALLER'S letter and a few of the replies, reflecting the men's appreciation of "the helping hand."

DEAR ROY: We do not want you to think for a minute that we are "complacent" or over-optimistic about the war, but we are human enough to hope that peace is not too far in

the future and we are beginning to think about the return to normal life of our employees who are now in military service.

We fully realize how occupied you have been with totally different thoughts and actions but wonder if your mind hasn't turned more than once to what you want to do when you are released from service.

If you wish to return to the bank, we are very anxious to have you. In fact, we have always intended to have a place here for each of our boys who left us to serve his country. However, it may be that you have had experience and training which will well qualify you for a totally different kind of work, and you may already find that your interests lie in another direction than banking. If this is the case with you—if you are thinking of another line of endeavor—it may be that we can be of help to you in making a connection which will be more to your liking than a position with the bank.

In other words, we want you to locate after the war in a job which will be of the greatest advantage to you and we are anxious to assist you in every possible way to attain that goal.

We want to emphasize *our* desire by reiterating—we are anxious to have you back.

Won't you write me at your convenience about this matter, giving me an idea of how your thoughts are running?

With kind regards and best wishes,

Sincerely yours,

W. J. WALLER

England, April 7, 1945

Dear Mr. Waller:

I have received your letter and was delighted to get it, not only because it is always good to hear from you but

also because it answered a question that I have been wondering about for a long time.

I believe that there are mighty few men in the Army today who are not giving a lot of thought as to what the future holds for them after demobilization. I have already written home about having received your letter and have told them how much better satisfied I feel now with the knowledge that I will have a job waiting for me when that happy day arrives that I go back. . . .

Many thanks for your letter and for your kind offer, and may it not be so very long before I can come in to see you and claim that job.

France, March 17, 1945

Dear Mr. Waller:

I just received your letter concerning your post-war aims for your men in the service and truly appreciated it. It is nice to know that, even though large distances separate us, we are still in your thoughts.

It is true that I have been occupied with different thoughts and actions since I left, but more than once my thoughts have turned to the post-war world and my possibilities in it. It's nice to know that you are holding a place for me in the bank and I'm very grateful for this consideration.

March 6, 1945

Dear Mr. Waller:

It was indeed a pleasure to receive your letter in regard to how the bank feels towards the boys in the service returning to the bank upon being released.

As for myself, my intentions are the same now as they were when I left the bank; that is, I desire to return to the bank when I am released.

(From a Negro elevator operator now in Italy)

April 14, 1945

Dear Sir:

. . . After reading your letter it makes me want to return back if there is an opening for me. You stated in the letter that you intend to have a place for all those who left for the service. . . .

Thanks for your offer to lend a helping hand in getting me placed in a suitable job.

Pacific, March 20, 1945

Dear Mr. Waller:

. . . I think your idea of making a survey in regards to men in the armed forces coming back to their old positions is a good one for in my duties I contact lots of them and it is surprising the number that have different plans for after the war; however, it has always been my intention to return to Hamilton just as soon as I am released from service. It has always given me a feeling of security and I can assure you I certainly am looking forward to the day when it will all materialize.

Real Silver

MYRON STEARNS

YES," the Secret Service agent said, turning the half-dollar over interestedly, "I'd like to speak to your teller. It's a piece of luck that you know at which window it was turned in."

Loring, the teller, was quite certain the coin had been turned in by Mr. Ullman from the People's Drug Store. The Secret Service man, Savoldi, thanked him.

"We haven't been able to get a description yet," he said, "although these counterfeits have been turning up more than two months. They're such good coins that they usually pass from hand to hand for a good while before they get to a bank—and even then they're frequently not spotted. They have as much silver in them as a genuine half-dollar."

Loring raised his eyebrows in surprise. "That sounds fantastic. What's the counterfeiter's idea?"

"Silver's cheap enough to permit a fairly good profit," Savoldi explained. "Evidently this bird figures that with such a good coin, with the right ring and everything, there'll be less chance of detection. It looks as if he's playing a lone hand, because the coins are coming in so slowly. If it was a gang, they'd probably have a bunch of passers at work."

To an outsider, the task of finding a lone counterfeiter whose coins appear in cities as far apart as Pittsburgh, Detroit, and New York City, seems almost impossible. But through years of experiment and successful experience the Secret Service, entrusted with the job of protecting United States currency against imitation, has developed techniques that bring results with surprising speed. Only the fact that the fraudulent half-dollars turned up in such small numbers accounted for the delay of two months.

MR. ULLMAN, the drug-store man, like dozens of other drug-store, grocery, and department store clerks who had already been interviewed, could give no description of the passer. Too many half-dollars are received in the course of a day to make the man or woman who passes one of them particularly noteworthy. So, with no descriptions to go on, Secret Service men stuck pins into a map to mark the points at which the silver counterfeits appeared. Bit by bit, these pins told a story: the coins were coming from some spot at or near the center of the area that was gradually being designated. They indicated a city in the Middle West.

Starting in that city, Secret Service men checked companies selling silver. An analysis of the metal in the counterfeits showed it was a type used for dental casting. Books of the concerns selling silver to dentists and dental supply houses were gone over in detail. Each purchaser of silver was looked up, to make sure that his use of the metal was what it was supposed to be. Presently the agents found one purchaser whose name and address appeared to be fictitious. They at once ar-



ranged with the company to be notified when this purchaser next put in his appearance.

Then came a surprise. Because the counterfeit coins had been formed by the use of great pressure, necessitating a large punch press, the agents had assumed that they were being manufactured in some machine shop. But when the agents were notified that the silver purchaser had appeared, and they had shadowed him to his home, they found he was a mild little middle-aged man, of German ancestry, living quietly with his sister in the suburbs. He had lived there for years, and had an excellent reputation. Although he was employed in an engineering capacity by a large manufacturing concern, the firm's reputation was unimpeachable—and it had nothing remotely resembling a punch press.

FOR several days Secret Service agents followed the man to and from work and during his lunch hour. When possible they slipped into stores after he had made purchases and found that he was making payments with the counterfeits. But although the agents had evidence on which they could arrest and convict him as a passer of counterfeit coins, they had no definite clue as to where, or how, the coins were being made.

Finally the agents decided to arrest him anyway, and picked him up just after he had passed another counterfeit half-dollar. He had a second counterfeit in his pocket.

He was willing to have the agents search his home, assuring them he was entirely innocent: In the basement of his home, he said, they would find an extensive machine shop, where he conducted experiments.

The basement machine shop proved to be all the man had said. Among other equipment were a large power-press, obviously capable of stamping out coins, and a quantity of plain silver disks, the size of half-dollars. They found small bars of silver, silver clippings on the floor to indicate that silver coins had been stamped in the machine, and a partially filled can of silver filings. But nowhere could they find the dies.

They noticed that their suspect became unusually talkative when they went near a table in the center of the room. On it was an automobile storage battery.

"The table might have hollow legs," Savoldi suggested. They lifted the battery. "It seems a little light," he said, thoughtfully.

That remark foreshadowed the end of the search. The plates and acid had been removed from the battery and in their place the agents found the incriminating dies, lying on more than 300 newly-stamped half-dollars.

The little counterfeiter clicked his tongue.

"Twenty years," he said, "I been getting ready for this. And now I ain't yet got back even \$400."

Know Your Bond Portfolio

LOY J. BOWEN

The author is vice-president of a New England bank.

DURING the past three and a quarter years, the bond portfolios of all banks should have shown substantial appreciation. Apparently some banks have converted only a small part of this appreciation into realized profits. Others have seemingly converted a large part into realized profits. No doubt a few banks have allowed this appreciation to offset previously existing depreciation, or have used the profits to absorb an equal amount of losses.

The amount of bond profits reported for a single year provides no reliable indication of the appreciation or depreciation of the bond account for that year. An examination of the bond profits or losses reported by various banks of similar size will reveal the complete lack of uniformity in the amount of bond profits or losses realized. Frequently the comments relating to the bond account include only the amount of profit or loss and the average maturity of government security holdings.

The reports of selected member banks compiled and distributed by the Federal Reserve banks recognize only realized profits and losses and do not take into consideration yearly changes in appreciation or depreciation. The average ratio as shown by these reports for a particular group of banks may be raised because some members of the group established large profits. These profits may have accrued in prior years. Likewise, the ratio may be lowered because some members of the group did not think it wise to accept profits.

THE ratio might be lowered still further if some of the group took losses instead of profits. These losses may have been incurred in prior years and may have even been substantially reduced through market appreciation in the current year. As a measure of bond portfolio results for an annual period, these ratios cannot be used. In fact, the ratios show and are intended to show only the amount of profits and losses for the year as a percentage of total income. Yet many bankers compare their bond profits or losses with these ratios to determine the efficiency of portfolio management.

Bank management, as well as stockholders and statis-

ticians, would be much more reliably informed if bond portfolio results were measured in a manner similar to the following:

| | |
|---|----------------|
| Depreciation—12-31-1941..... | \$1,771,029.00 |
| Depreciation—12-31-1942..... | 90,806.10 |
| Decrease in depreciation..... | \$1,680,222.90 |
| Profits on securities sold..... | \$ 582,534.30 |
| Losses on securities sold..... | 767,527.80 |
| Net losses on securities sold..... | \$ 184,993.50 |
| Total market gain in 1942..... | \$1,495,229.40 |
| Depreciation—12-31-1942..... | \$ 90,806.10 |
| Appreciation—12-31-1943..... | 652,905.60 |
| Increase in appreciation..... | \$ 743,711.70 |
| Profits on securities sold..... | \$5,168,614.80 |
| Losses on securities sold..... | 907,947.30 |
| Net profits on securities sold..... | \$4,260,667.50 |
| Total market gain in 1943..... | \$5,004,379.20 |
| Appreciation—12-31-1943..... | \$ 652,905.60 |
| Appreciation—12-31-1944..... | 1,550,101.50 |
| Increase in appreciation..... | \$ 897,195.90 |
| Profits on securities sold..... | \$3,681,279.90 |
| Losses on securities sold..... | 209,875.80 |
| Net profits on securities sold..... | \$3,471,404.10 |
| Total market gain in 1944..... | \$4,368,600.00 |
| Appreciation—12-31-1944..... | \$1,550,101.50 |
| Appreciation—3-31-1945..... | 6,724,138.50 |
| Increase in appreciation..... | \$5,174,037.00 |
| Profits on securities sold..... | \$3,540,759.60 |
| Losses on securities sold..... | 7,545.30 |
| Net profits on securities sold..... | \$3,533,214.30 |
| Total market gain for three months..... | \$8,707,251.30 |

(Note: In determining appreciation or depreciation, it is assumed that amortization reserves will be deducted from book value. Valuation reserves would be excluded.)

Any bank that does not wish to disclose the amount of appreciation or depreciation at the beginning and at the end of the reporting period can provide the necessary information by reporting only the increase or decrease

(CONTINUED ON PAGE 110)

Only recently have banks begun to publish income statements. To this information might now be added sufficient details to permit an appraisal of the degree of efficiency with which the bond portfolio, representing 50 per cent to 75 per cent of the total resources of most banks, is being managed. The bond portfolio was of less importance when it represented 10 per cent of total assets, but today it is the largest contributor to gross earnings.



Consumer Credit in

FRANK P. POWERS

MR. POWERS is president of the Kanabec State Bank, Mora, Minnesota. He is a member of the American Bankers Association Committee on Service for War Veterans and of the State Bank Division's Committee on the American System of Banking.

OURS is a typical country bank, with deposits of \$2,250,000. Our experience with instalment paper dates back to 1924 when the automobile dealers doing business with us were disposing of all their conditional sales contracts to large finance companies, and we observed with much interest how punctual customers were in making monthly payments on these contracts. At that time rates were unusually high, so we decided it would be worthwhile to make an effort to get some of this business. We discussed the matter with local dealers and had little difficulty persuading them to give us their business as the advantages of dealing with a local institution were numerous.

We were not sure about the safety of these loans, particularly because many dealers did not have very substantial resources; also, without having had previous experience, we were much concerned as to how well our collections could be made.

We arranged to purchase these contracts with recourse and had the dealers agree that we could deduct \$10 from each contract to be credited to a special reserve account. This was credited to them in our savings department and they, in turn, executed an assignment of the account, which gave us absolute control of it in case it should be necessary to rely upon this reserve at any time. We thus avoided losses when some dealers became seriously involved in financial difficulties.

WHILE this paper required close individual attention in the matter of collections, it proved from the outset to be very profitable and in a short time we extended our operations to include the purchase of instalment paper covering various items, such as washing machines, cream separators, and radios. Later we purchased contracts for tractors, farm machinery and household furniture. Most of our instalment paper was originated with dealers in the early days because we were not certain how well this plan of financing was going to work, and also because the contract rate of interest in Minnesota is 8 per cent simple interest. Obviously such a low rate is not conducive to taking risks as the profit margin is not adequate.

Bankers, who have been keenly interested in handling instalment paper for several years, have advocated legislation which would correct this situation. This has not been an easy matter to accomplish, however, although we are hopeful of obtaining satisfactory results in the near future.

When we commenced financing the purchase of tractors and heavy farm machinery, many bankers were apprehensive regarding the results. We are located in



what is known as the "cut-over" area in Minnesota. The farms are small and the fields, in many cases, are very irregular because of the large stumps and rocks that have to be removed before they can be prepared for cultivation. Old residents did not believe tractors and tractor machinery would be practical. They also contended it was necessary for every farmer to maintain a supply of horse power; also, most farmers in our territory did not harvest any substantial cash crops, most of their efforts being devoted to dairying.

We were pleasantly surprised, however, to find that the contracts we purchased liquidated satisfactorily. In the beginning we took the precaution to require small monthly payments out of the farmers' dairy checks or made the contracts payable quarterly. We have been handling tractor and heavy machinery paper now for more than six years. So far we have not had a loss, and strange to say, the farmers in this area have become sold on the idea that a tractor is almost an absolute necessity. In fact, we now have some farms on which there are no horses.

Our institution has now handled almost \$3,500,000 in instalment paper and our total loss to date has been under \$300. This is less than one one-hundredth of 1 per cent.

ONE reason why our experience has been so favorable is that we have always worked closely with the dealers. This has enabled us to get most of their business, whereas in many districts dealers have been offered a more attractive proposition from outside finance agencies or have not been given complete cooperation (in my opinion) by the local banking institutions, with the result that this profitable business is not kept at home.

We have found it most profitable to have a special dinner meeting for all dealers in automobile and farm equipment at least once a year, sometimes twice a year. The bank pays for the dinner, provides an interesting program, and furthermore, brings together competitive dealers who sit elbow-to-elbow, and learn that the other fellow isn't a wolf in sheep's clothing after all.

At these meetings, discussions bring out many valua-

a Country Bank



ble sales points, and also help all to realize that business men are attempting to render a service worth money to the consumer. Naturally, this effort to help the dealers results in tying them closer to the bank. We get more loans through dealers as a result of these meetings than we could get without them, and we derive much satisfaction in realizing that we are rendering a service which benefits the community.

In earlier years finance charges were unusually high, which produced very satisfactory returns. Even today, with greatly reduced rates, the average return is much better than it is possible to get on any other form of investment.

All loan officers of banking institutions fully understand and realize how important is the matter of collections, but I believe the collection of instalment paper requires more careful attention than is necessary with the ordinary loan.

It is not necessary, in a small bank, to set up a special department, but some one must assume the responsibility of watching delinquents closely. This is especially necessary because relations with dealers can become strained very easily if monthly instalments are not paid promptly. However, I am sure we all agree that this would also be the case if we were to make other loans promiscuously and not give proper attention to collection; or if we were to purchase bonds for our investment account, place them in safekeeping, and proceed to forget about them. In most instances, the manner in which the first or second instalments are paid determines to a large degree whether any difficulty will be experienced in the liquidation of an individual contract. This is nearly always true if the down payment on the article purchased is less than the amount usually required.

At intervals of 15 days, every dealer from whom we purchase contracts is furnished with a list of all delinquencies, giving the amount delinquent and the date the payment was due. At the same time, we also write a letter to the maker, urging the payment of the delinquency, and send a copy of this letter to the dealer. We have arranged with the dealer that, in each instance, he is to follow up with a letter, telephone call, or personal visits, depending upon the seriousness of the delinquency.

At the time we purchase the contract we mail a form letter to the maker advising him that we have purchased the contract, stating the amount of the principal, the amount and due dates of the instalments, and, if the contract covers an automobile, we advise the amount of insurance coverage. Our experience has shown this to be very important because, in some instances, the dealer has not fully informed the purchaser about the cost of insurance and the amount of the finance charge.

We also enclose a coupon book with our letter, which eliminates the necessity of mailing monthly statements and also relieves us from issuing monthly receipts.

We supply all dealers with conditional sales contract

blanks, credit statement forms and work sheets which make it convenient for them to prepare and deliver the contracts to us in proper manner, thereby relieving us of additional work in handling the notes. Large quantities of these supplies are purchased at a reasonable cost; the dealers appreciate this service.

Most banks now use the note tickler system in connection with handling their loans and discounts. Since installing this system, we find it is much easier to keep fully informed regarding delinquencies.

ANOTHER form of instalment financing that has been very satisfactory with us comprises the Federal Housing Administration loans. We have made all the FHA loans it was possible to obtain in our territory. The volume has been limited, but to date, we have handled \$76,000 of Title I loans, \$81,000 of Title II, and \$26,000 Title VI loans, without loss.

We are rather proud of the fact that our maximum volume of loans in 1939 was \$550,000, and our local loans and discounts at the present time are approximately \$600,000, indicating the policy we have followed in making every effort possible to get all the available loans in our trade territory. We had in excess of \$250,000 of instalment paper in 1939 when Regulation W was issued. Our total volume of instalment paper at the present time is now only about \$35,000.

I am of the opinion we will have a tremendous demand for loans on the instalment plan during the post-war period. People have become educated to this type of financing. Eighty-six per cent of the wage earners in this country make less than \$2,000 per year, yet they are keenly interested in purchasing necessities and luxuries which most of them now own, because it has been possible for them to purchase on the instalment plan.

There is not a department in the bank that creates more goodwill than the consumer credit department—and remember, it brings many additional customers into the lobby every day.

DURING the post-war period we shall have a new group of borrowers from the ranks of the returning servicemen. The great majority of these boys have grown to manhood during the war period. They have not had much experience borrowing money. In most cases they will be anxious to establish a business, buy a home or farm. Most of them will no doubt use the \$2,000 loan they are entitled to, guaranteed by the Veterans Administration, for the major investment. In many cases, however, they will require additional money for the purchase of equipment for the remodeling of homes or for improvements on farms. For progressive banks there will be an opportunity for a substantial volume of excellent instalment loans.

Lending is our business, and if we properly serve our community and do our part in keeping government loan agencies out of this field, it is necessary that each of us be ready and willing to service every good loan offered.

A Way to Help the Trust Department

GILBERT T. STEPHENSON

This well known authority on trust affairs is director of trust research, The Graduate School of Banking.

TO WHAT extent does your trust department appear in your published statement of condition? In other words, to what extent are you using your published statement of condition as a means of disseminating useful trust information or of developing your trust business? This inquiry is addressed to the president of each of over 2,800 trust companies and banks with trust departments.

Inspection of recent statements of condition of 1,244 trust companies and banks with trust departments, embracing most of the active trust institutions in the United States, shows that 370 are using their statements of conditions for one or both of these purposes. While 874 are not using them for either purpose, it should be stated that some do mention in their statements of condition that they have a trust department or that they render trust services.

In these 370 banks and trust companies the trust department is in the statements of condition in one or more of four ways, namely, in the specification of trust services, in the separate listing of the officers of the trust department, in the publication of the trust committee, and in the publication of the trust assets.

Specification of Trust Services. A gratifying number of the 370, instead of saying that they have a trust department or that they render trust services, state in some detail the principal types of trust services they render. For example, the First National Bank, Glens Falls, New York, devotes one entire page of its six-page statement of condition to the following description of its trust services:

The trust department of the First National Bank acts in the following capacities:

For Individuals—Executor and trustee of the estates of those who name us in their wills; administrator of estates of those who have died without leaving a will; trustee under life insurance trust agreements; trustee under revocable or irrevocable living trust agreements; guardian of the estates of minors; committee of the estates of incompetents; agent, custodian or financial secretary to manage property of those who desire freedom from this responsibility; estate analysis.

Mr. Stephenson at The Graduate School



For Corporations—Trustee under corporate mortgages for the benefit of bondholders; transfer agent of stocks; registrar of stocks and bonds; depositary for reorganization committees, etc.

Such specification of trust services suggests to people services adapted to their personal or business needs which they or their advisers perhaps never otherwise would have thought of.

Separate Listing of Trust Department Officers. One hundred and sixty-eight, or nearly half of the 370, list their trust department officers separately, thus drawing attention pointedly to the official staff. This separation in the statements of the largest trust institutions is to be expected. But some small banks, even where the official staff of the trust department consists of only one or two persons, list their trust officer or officers separately from the other officers.

HOWEVER, in the statements of condition of many of the large trust institutions the officers of the trust department still are listed alphabetically with the other officers. Thus the trust officers, the associate trust officers, and the assistant trust officers are scattered throughout the whole list of officers. In some of these large banks the head of the trust department, usually a vice-president, is listed among the executive officers, while the associate trust officers and assistant trust officers are listed together near the bottom of the list of officers. This method of listing is likely to create the impression that there is no single head of the trust department and that the department is being run by a group of junior officers.

In the small trust institutions the head of the trust department frequently has duties in the banking department. In the statement of condition he is listed as cashier, assistant cashier, secretary, assistant secretary, treasurer, assistant treasurer, or assistant vice-president and trust officer. This is likely to create the impression that the trust business is a side issue handled by a junior officer on a part time basis, when this may not be the case. The trust officer may have been made an assistant secretary, for example, in order to give him authority to attach the seal of the corporation to trust department papers requiring formal execution.

IN some of the small institutions this situation is being met and in all the others it can be met easily by listing the same officer twice—first, among the general officers as secretary or assistant secretary, for example, and, elsewhere separately, as trust officer.

It is important that every trust institution create the impression—and the impression should be supported by the facts—that the trust business is an equal and coordinate part of the bank or trust company, that it is not subordinate or a side issue to banking or to anything

(CONTINUED ON PAGE 112)

Building for the Future

A Bank Digs Up Some Housing Facts

EDWARD G. ROUNDS

This article is based on a report which MR. ROUNDS, mortgage officer of the Holyoke (Massachusetts) Savings Bank, made to officials of that city after the bank had completed a survey of the post-war housing requirements of its Small House Club members.

The survey itself deserves comment. It was conducted by the bank's entire personnel who made personal, house-to-house calls on more than 450 of the Club's membership. The work was done on the staff's own time. Throughout the canvass there remained the confidential relationship between bank and client which assured accurate information.

Percentages and dollar amounts stated by MR. ROUNDS are based on a Club membership of 1,115, one-third of whom were interviewed. These were chosen at random and, MR. ROUNDS explains, it can be assumed that the ratios will hold for the entire roster. The analysis, he told the city officials, brought to light facts of sufficient import to warrant serious community consideration—and action.

Who Will Build?

ALTHOUGH we were quite certain that a large percentage of our Small House Club membership was serious in its intent to build new homes when the war emergency was over, we were unprepared for what our survey brought to light in this respect. Sixty-two per cent, or 681 families, have said that they are ready to act immediately the restrictions on materials and manpower are no longer operative. On the basis of their cost estimates, arbitrarily adjusted, these people will spend \$4,795,602 for their new homes. This represents a yearly tax income of \$100,708.

It is enlightening to compare this proposed building market with local activity in this field for the years 1935-1941, inclusive. In those six years, 180 dwelling units for a cost of \$1,577,600 were constructed. This included multiple units, or apartment blocks and combinations. The present potential program is therefore about three and three-fourths greater in number of units, and three times greater in cost than that of the aggregate of the six years preceding the war. Do not lose sight of the fact that this potential is derived from one

group of people working with one institution. We are not optimistic enough to believe that every person so interested has come to us for ideas and assistance in their planning.

Where Do These People Live?

It seems appropriate to inject a word of warning to landlords. The ratio of tenancy to owner occupancy of dwelling units in Holyoke is 77.15 per cent. In the group we have been discussing the ratio is 99.1 per cent. Obviously the 600 or more rent payers will become their own landlords. If the rental incomes of these depleted units are to be maintained, it can be from only two sources: First, a population growth, and secondly, a migration to the abandoned units by people not quite able to own, but able to pay for better quarters than the ones in which they now live. Whether this second manifestation will occur rests almost entirely with the landlords themselves. I have heard so many landlords promise that when the rent controls are finally off, they will make up for lost time and money. It appears that if they are too ambitious in this respect, they will effectually strangle shelter upgrading, which is their only defense against the vacancy problem now in the process of development.

In this corner of the Holyoke Savings Bank's lobby home building is dramatized for members and prospective members of the Small House Club



What Will They Build?

Alarmists and armchair economists have seen in the post-war housing boom only an opportunity for a mushroom growth of small, cheap, and unstable structures. As is so often the case, they neglected to include the will of John and Jane Public in their surmises. Only 5 per cent of our new homeowners aspire to four rooms or less; 31 per cent feel that five rooms are sufficient for their needs; while tops on the hit parade is the six room house representing the ideal home for 52 per cent. Seven rooms or more are wanted by only 12 per cent of the poll.

To the mortgage lender, and to those of the community who plan beyond tomorrow, this predominance of the six room single dwelling represents stability of population and real property market values. A house of this size is a family house. Growing families do not mean transient population. They are a solid foundation upon which to build a long range community program.

What About Land?

The section of the survey dealing with land was divided, for the purpose of analysis, into three subdivisions: ordinary, larger, and acres. A certain amount of applied psychology is necessary to arrive at answers in an analysis of this sort. It was agreed that to the average occupant of an urban rented property, a 50 to 60 foot frontage represented an ordinary lot size. In this regard, ignorance of the desirability of space is evidently bliss, because 47 per cent of our about-to-be landowners agreed that this was satisfactory. Education in this respect, however, is certain. City planners and mortgage bankers generally, know that close, sandwich developments represent early community indigestion. Plot specification requirements eliminate this danger.

A more enlightened group of 36 per cent expressed a desire for lot frontages ranging between 75-100 feet. In the development of codes and restrictions, a certain amount of flexibility ought to be provided within this bracket. Lot cost for the majority group of homebuilders to be comparable with their financial ability and the cost of their homes should not exceed \$800 as a maximum. Because of inability to buy extreme frontages, however, they should not be obliged to pay the penalty of loosely restricted or disadvantageously planned sites. It develops, therefore, that a middle ground is fertile ground.

Seventeen per cent of our people want plots ranging upward from one-half acre. This is prompted by a desire to have a garden or keep a few chickens. An interesting sidelight to this wish is the use of the phraseology "the right to keep chickens." Americans are nothing if not individuals and dislike being told they can't do something they *might* want to do. It would seem that there is a market for a housing development in which such a right is provided for within the bounds of controls instigated for the common good.

Land developers and owners can readily read a danger signal between the lines of this section of the survey. A get-rich-quick policy will mean an empty cupboard.

How Much?

Early in the survey it became evident that the estimates our club members made as to the cost of their new

homes were strongly influenced by levels existing prior to 1940. Although post-war building costs are still anybody's guess, it seemed wise to increase their estimates a nominal amount for the purpose of computation and safety. This increase amounts to 15 per cent.

Once again the survey has served to refute a widespread and unsubstantiated opinion. We have heard many times that post-war housing will follow the lines of war housing with a preponderance of extremely low-cost housing as an immediate demand. Now listen to this! *Not one person interviewed expects to pay less than \$5,000 for his house.* This proves that you never know until you ask.

Thirty per cent estimate their houses will cost between \$5,000 and \$6,000; 44 per cent between \$6,000 and \$7,000; and 26 per cent over \$7,000.

It is agreed by students of housing that a program providing \$4,000 homes for the lowest income groups is a certainty for the future. Even then, quality will not be sacrificed too greatly. Considerably longer financing, plus the use of improved building methods and materials, is expected to provide greater volume and better quality at a lower cost. This special group housing, however, does not concern us at this time as a factor in our deliberations. It is an extremely long-range program.

The homebuilders of America face the biggest job in their history. They have to cope with a mass, high-pressure market. If the large operator is not to corner the market, the small builder must learn to build more efficiently—and right away. Through the use of improved methods and materials he must achieve greater volume at lower cost without cutting quality.

Where Will the Money Come From?

This is a fair question. As a matter of fact, we could have answered this question for our members. We did, however, inquire as to the financial condition of those indicating a readiness to build.

55 per cent have considerably better than 10 per cent of the cost of their homes.

45 per cent have a minimum of 10 per cent of the cost of their homes.

As an example of the possibilities, please remember that a 90 per cent FHA insured loan for a term of 25 years is possible for new residential financing. The FHA program has been the most forward step in mortgage financing. It has made possible a long-term, low-equity, financing, incorporating quality controls, and the arrangement of convenient out-of-income payments for the borrower.

Earlier, a figure of \$4,795,602 was given as the cost price of new homes within the scope of this analysis. One-half of this sum rests in our own vaults in the form of War Bonds being held for depositors. Unquestionably, a sizable chunk of this is earmarked for down payments on new homes.

Savings account balances have reached an all time high. What encourages us particularly are the hundreds of new savers who are consistently laying away a portion of their war wages. When these 600 and more people say they are ready to build, they aren't fooling. They really are.

This lush condition is not without its drawbacks.

It is very probable that present wage levels will carry over into the initial building period. A great responsibility, therefore, rests with builders, bankers, and brokers to control, or rather, prevent overbuying. Commitments on the part of borrowers must be held to their normal, not their inflated, income levels. Such discrimination is necessary economic insurance.

Where Will They Build?

This phase of the survey has been intentionally saved until last. As a downright eye-opener to the need for constructive community thought and action, this cannot be topped. The facts are these:

In any given group of 300 potential homebuilders, only 125 declare that they will stay within the city limits; 110 will leave the city for surrounding towns;

65 are undecided. Applied to the total membership of the Small House Club, our city stands to lose approximately 350 families to surrounding communities. What does this mean in dollars and cents?

It means a tax loss to Holyoke of \$48,800 annually. It means a trade loss impossible to determine without access to late per capita purchasing power figures. It also means a population loss we can ill afford.

Our population in 1920 was 60,203; in 1930 it was 56,537, and in 1940, 53,750.

With so many of our citizens anxious to take to the open road, the 1950 report will reach a new low.

The conclusion to all this is obvious. Holyoke has to sell itself to its own people. In that, it has evidently failed. Only by making it pleasant, profitable and advantageous to stay can it hold to itself its own.

The Thrill of a Lifetime

MARJORIE S. DAVIS

MRS. DAVIS is advertising manager of *The Plainfield* (New Jersey) *National Bank*.

AFTER you have written bank advertising copy for 20 years "there's a thrill that comes once in a lifetime" when you find a new bank service to sell to the public.

Strictly speaking, of course, saving for a home is not entirely new in financial advertising. But with its present day application, it can be made new enough to attract unprecedented numbers into your bank.

Whether or not a man or woman can build a new home when restrictions are lifted again, they all hope and expect to improve or add to their present one. The field is apparently unlimited and the bank that will get the resultant mortgage loan business is the bank that is getting in on the ground floor now.

Like many other progressive banks in the country, The Plainfield National Bank recognized the existing field and opened a home planners exhibit and set about selling the public that our bank is the place to come for a mortgage loan.

The exhibit is convincing proof of the truth of Henry Ford's statement "Find out what the people want and

give them more of it," for after one insertion of our advertisement we had 130 inquiries the next morning. They're still coming in, over 200 now having been received. In a large city that reply is negligible. In a town our size and in response to a bank advertisement, the return is a near miracle.

A STAIRWELL to the vault is located in the center of many bank lobbies. The space over it is the first thing a customer's eye lights on when entering the bank. This makes a perfect spot to advertise special bank services. We have used specially prepared colored posters in this location for some years, with good results. They also add color, attractiveness and interest to the lobby.

Copy that was used to open our Own-Your-Home exhibit read: "The Roof you'll Have over Your Head—Depends upon WHAT You Save TODAY!"

Our lobby exhibit was executed with imagination and minimum expense. We had an archway used in war loan displays repainted (see photograph). The copy on the large poster at rear of display is as follows: "Let Every Deposit Bring Your *HOUSE OF THE FUTURE* Nearer."

Copy on arch outside of exhibit reads:

"What Kind of House Do You Want After the War?"

"Come in—Decide on the Amount Needed for your Down Payment—SAVE for it here every week. Have the Necessary Cash When You Can Build—We will Finance the Balance."

Strips of molding put up by our janitor, two pairs of (hard to find) organdy curtains and painted valances of celotex, complete the exterior of our exhibit.

We joined a monthly small house club service that lives up to its contract 100 per cent and is worth every cent of its low monthly cost. We invited people to come in during banking hours to see blue prints and specifications of houses and they've accepted our invitation and come in droves. Any hour of the day you can talk

The entrance to the "Own Your Own Home" exhibit of the Plainfield National Bank



mortgage loans to people in our exhibit. Our one extra expense has been additional help to handle the inquiries and the people who come in.

Through the New York Museum of Science and Industry, we borrowed the Collier's House of Ideas shown at the New York World's Fair. It has been a great drawing card.

We contacted 10 or more nationally known companies which have sent us books about home and home building for distribution, at no expense to us. Some companies have even printed the bank's name and address on their booklets without cost to us. They have sent us interesting exhibits of building materials, glass blocks, etc., that add to our display. We have an insulation exhibit scheduled, and a local plumber plans to put in an entire modern kitchen soon, so that our material will change and not become stale and will give us new material to advertise from time to time.

We have had newspaper articles and publicity about the exhibit that we couldn't buy, but the real "thrill of a lifetime" is the response and the card index of names of people who are ready for mortgage loans when the day comes they can build. When that day arrives, we feel safe in believing they'll come to the bank that has helped them get new ideas for the homes they want and shown them the way to finance those homes.

A Home Loan Plan

A. H. BROUSE

MR. BROUSE is president of the National Bank of Washington, Tacoma.

THE National Bank of Washington, anticipating the release of pent-up demand for new housing after the war, adopted Homeplan six months ago as a means of establishing itself as headquarters for real estate loans in the nine communities it serves in western Washington.

Homeplan is basically a loan plan designed to assure a steady flow of FHA loans in the post-war period. The customer starts monthly payments now, accumulating his 20 per cent FHA down payment in from 21 to 31 months, depending upon loan repayment period selected. The amount of this monthly payment is the same as the FHA payment indicated for the purchase of a home at a price selected by the customer, including insurance and taxes. The bank, of course, agrees to complete the FHA loan as soon as building is resumed and the down payment accumulated.

Contacts were made by the bank with builders, contractors, building material and hardware dealers who were all very much impressed with the plan and were glad to cooperate with the bank in passing information along to all prospective home builders and to distribute folders describing the plan.

All media of advertising were used in acquainting the public with the new service, and handsome scrapbooks to be used for clippings of ideas and plans were distributed free to those requesting them. A card index was set up of the names of those receiving scrapbooks.

Homeplan was developed by Merchandising Factors, Inc., of San Francisco, our advertising agency, and we feel that the plan has several distinct purposes:

- (1) It establishes contact between potential home owners and the bank.
- (2) Siphons off a portion of the greater earnings most people are currently making.
- (3) Strengthens the relationship between the bank and builders, contractors, building material and hardware dealers.
- (4) Will provide employment locally in the post-war period.
- (5) Creates a profitable source for investment of the bank's loanable funds.

Although we have not actually opened many deposit accounts to date, we have had calls for more than 200 scrapbooks, and we consider the recipients of these books to be definite prospects for home loans. Also, the plan has caused a great deal of favorable comment in the communities we serve, and has certainly established in the minds of the people the fact that National Bank of Washington is constructively interested in home loans.

News

The National Life Insurance Company of Montpelier, Vermont, has announced adoption of a "packaged mortgage" plan under which certain pieces of household equipment are considered part of the real estate security for loans.

New gas or electric appliances, such as ranges and refrigerators, for which reasonable values are included in the appraisal when the application is submitted, will be regarded as part of the security, subject to rules and regulations prescribed by the company's legal department. Some degree of fixation of the article to the real estate will be required.

L. Douglas Meredith, vice-president, said this change would be of great assistance to home purchasers and would make it easier to acquire a completely equipped house. The so-called packaged mortgage, he asserted, "is in accord with the most recent thinking in mortgage investment."

In answer to popular demand, the Home Buyers Institute of The Dime Savings Bank of Brooklyn, New York, opened its lecture series to the public. Previously the series of talks for home owners, planners and war veterans had been for Institute members. The lectures are held fortnightly at the bank's main office.

More than 44,000 persons have visited the Home Buyers Exhibition, an Institute feature, during the past year. Sixty-eight leading American manufacturers of home products have displays.

The National Bureau of Standards has announced a commercial standard for prefabricated homes, effective for new production from May 10, 1945. A month prior to that date the bureau announced that a satisfactory majority of manufacturers, distributors and users had accepted the standard.

A Bank, a Store and a Home Exhibit

THE United Savings Bank of Detroit and the People's Outfitting Company, a department store, are sponsoring a home planning service and exhibit for post-war home builders, located at the store. Representatives of the bank and the store give advice to visitors on home financing plans and the purchase of homes and furnishings.

In the center of the well-planned exhibit is a group of model homes, featuring a good-sized wooden model of the "Small House of the Month." Back of this is a village of smaller models. Lighting has been designed so that all details of the houses can be easily seen, and sketches and floor plans are given to interested visitors. If final selection of a particular house is made, complete working plans and specifications can be purchased for a nominal sum from the bank.

Around the model village is a series of miniature dioramas showing modern living rooms, kitchens, bathrooms, home heating plants and utilities, and related scenes such as construction in progress. The dioramas give the public an opportunity to see room layouts with equipment just as they would appear in the home. The bank, the store, home equipment manufacturers and building materials companies furnished the dioramas.

WE have had a great deal of interest shown in the exhibit," says William W. Slocum, president of the United Savings Bank. "Although there is no actual building now, except a few homes for veterans, we feel that just as soon as building resumes we will begin to cash in on this exhibit. Many contacts have been made, and in fact some mortgage loans have resulted from people coming to the exhibit and talking over financing their present homes."

Some of the dioramas in the exhibit move, showing activity in progress. The bank's display includes a shovel excavating in a vacant lot; the action shows dirt being taken from the basement and loaded on a truck. A man holding blueprints stands at the edge of the lot.



Village of model homes

There are also a truck with a man unloading lumber, and cement blocks ready for use.

A fuel company displays a worm gear taking coal from the bin and feeding it into a stoker, a door company has a two car garage with a door that moves up and down. A lumber company shows an attractive ranch type house that rises to show a blueprint underneath.

"Our exhibit has the wording, 'A Happy Home Begins with Good Financing,' and calls attention to the fact that we have a representative present at the exhibit to give information on financing," reports Mr. Slocum.

"The People's Outfitting Company has two particularly interesting exhibits. One is a bedroom in which two men are placing the last piece of furniture in the room while a housewife directs them. The other is a living room scene where two employees are shown, one laying a floor carpet and the other hanging draperies with a housewife observing and directing. It has been very well done and is attracting much attention."

Home planning exhibit sponsored by the United Savings Bank of Detroit and the People's Outfitting Company



I. Banks in Post-War Foreign Trade

A. M. STRONG

MR. STRONG is vice-president of the American National Bank and Trust Company of Chicago.

WITH the surrender of Germany, an early resumption of foreign trade with the liberated countries of Europe may be expected. This trade will reach unprecedented levels as the enormous physical destruction of modern warfare has created in the war-torn countries a great need for capital equipment, construction materials, machinery and consumers' goods. Estimates of the volume of our post-war foreign trade, based on the assumption of full employment and a sufficient supply of dollar exchange, predict an export and import total of goods and services of between \$18 billion and \$20 billion per annum. The Department of Commerce, in its publication "Foreign Trade After the War," finds that under favorable conditions, our exports may reach \$7 billion and imports \$6 billion annually.

Our country is emerging from this war with the largest concentration of production capacity. With our great industrial facilities intact, we will be capable of rendering large scale help to the rest of the world. We will supply the materials for the millions of homes and factories, the machines and tools for production and the consumers' goods. There will be a flow of machinery, finished goods and agricultural products from this country to every country of the world and a flow of raw materials from other countries to our country. Our industrial and agricultural capacity has been enormously expanded and we will need foreign outlets to maintain a high level of production and employment.

THE importance of our export trade to our national economy is well known. Many of our industries, employing and supporting several million people, depend to a great extent upon sales to other countries. Between 1910 and 1938, 18 per cent of our agricultural income was derived from exports. The agricultural products which we export represent the produce of between 50 and 60 million acres of farmland. Our foreign trade normally represents about 10 per cent of our national production, which means that of every 10 workers engaged in manufacture, agriculture, mining and transportation, one is engaged in the production and distribution of goods for export.

The importance of our import trade is clearly demonstrated by the fact that more than 70 per cent of our imports by volume consist of materials for future fabrication. Between 1919 and 1939, our imports were made up of the following classes:

The Monetary

| | Per cent |
|---|----------|
| Crude materials | 35.2 |
| Crude manufactured and semi-manufactured foodstuffs | 31.0 |
| Manufactured foodstuffs | 13.4 |
| Finished manufactures | 20.4 |

How will foreign countries pay for the goods purchased in the United States? Our imports will constitute the largest source of dollar exchange. The Department of Commerce estimates that the dollar supply will amount to about \$10 billion per annum and will consist of over \$6 billion in imports and of some \$4 in services and investments abroad. Many countries, particularly our neighbors to the south, have accumulated gold and dollar balances during the war years which will enable them to finance their purchases here. The reserves of Latin American countries are estimated to be approximately \$3½ billion. The amount of gold and short-term dollar balances held by foreign countries at the end of 1944 is estimated at more than \$20 billion. According to the Treasury Department, the total value of all foreign property held in the United States, reported in the 1941 Census, was in excess of \$13 billion. The principal types of property are shown in the following table:

| | |
|---|-----------------|
| Gold ear-marked | \$2,467 million |
| Deposits and other banking assets | 4,080 " |
| Stocks of registered bonds | 3,160 " |
| Direct investments | 1,950 " |
| Other investments | 1,525 " |
| Total | 13,182 " |

PROPERTY of blocked countries exceeded \$7 billion, as follows (in millions): Netherlands \$1,800; Switzerland \$1,500; France and Monaco \$1,400; Sweden \$600; Belgium \$400; China \$300; Japan \$150; Germany \$150; Norway \$100; Italy \$100; All others \$750.

An artist's conception of the post-war Port of Boston



Side of Peace

Air transportation of merchandise will have a certain effect on the financing of imports and exports. A commitment by a bank to finance an ocean shipment must necessarily cover a considerable period, as it frequently takes many weeks for the shipments to be transported from the interior to the port and from the port to destination. The situation is different when air shipments are involved. The time required to liquidate the loan is materially curtailed. This may eventually play an important part in bank financing and in the capital requirements of certain types of business. We do not as yet know the potentialities of air transportation in foreign trade. However, the progress made during the last five years and the new plans announced by air carriers would indicate that air freight will be an important factor in international commerce.

THE expanded foreign trade will require extensive banking facilities. Banks will be called upon to render a variety of services. They will extend loans to foreign countries, furnish intermediary credit to finance the export of capital goods and short term credit for self-liquidating purchases by foreigners in this country and our purchases in foreign countries. They will supply the foreign exchange; provide the facilities necessary for the handling of documents and funds; make commercial and benevolent payments abroad; furnish credit information and perform many other functions.

Foreign banking is a comparatively young enterprise in the United States. While Chicago banks engaged in foreign business as early as 1865, the extensive development of international banking in the United States began only in 1913 after the passage of the Federal Reserve Act giving the banks acceptance privileges. It is still a limited business, as out of about 15,000 U. S. banks, less than 150 are actively engaged in foreign commercial business. However, the increased foreign

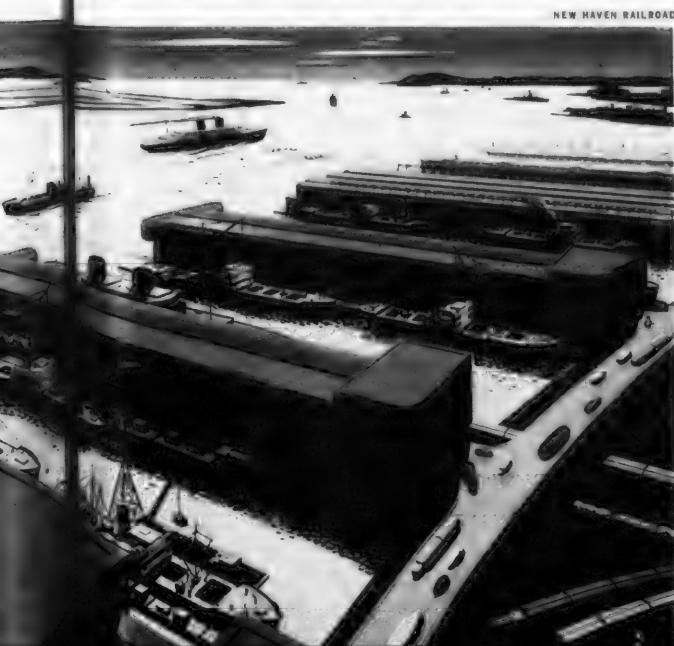
trade in the post-war era will make demands upon banks throughout the country for the required facilities and it may be expected that many will go into this business.

How can a bank without foreign connections render a complete foreign service? It is not necessary for any bank to establish and maintain costly and elaborate arrangements with foreign countries to serve its customers. Many of the larger banks in the East, Mid-West and West are extending foreign banking facilities to their correspondents. These larger banks maintain connections in the principal cities of the world for the establishment of commercial credits, the handling of foreign collections, for foreign payments and similar transactions. They furnish credit information with regard to the standing of buyers and sellers abroad and data concerning new markets, conditions, laws and regulations in foreign countries. They supply their correspondents with the necessary forms, furnish foreign exchange quotations and keep them posted on new developments. Some of these banks will advise their correspondents how to establish and maintain a foreign banking service.

The nature of each bank's business, of course, varies according to local conditions. In industrial areas, the importer and exporter will require facilities for the financing of shipments and the establishment of letters of credit, for the collection of drafts and for the purchase and sale of foreign exchange. Banks in such areas can obtain the necessary service and foreign credit information from the neighboring larger banks that maintain correspondent arrangements. The letter of credit and payment forms of some banks bear only one name—that of the local bank. The remuneration for these transactions is nominal, usually about 50 per cent of the commission paid by the bank's customer.

In areas with a large number of persons of foreign origin, banks will be called upon to furnish facilities for the transmission of funds abroad. According to the 16th Census of the United States of 1940, there are approximately 23 million persons in this country of foreign or mixed parentage, and approximately 11 million born in foreign countries. The largest number of persons born in foreign countries or of foreign or mixed parentage are located in the following states: New York 7,134,000; Pennsylvania 3,219,000; Illinois 2,933,000; Massachusetts 2,408,000; California 2,407,000; Michigan 2,010,000; New Jersey 1,971,000; Ohio 1,650,000; Minnesota 1,204,000; Wisconsin 1,199,000.

A GREAT number of these people will be in contact with their kin abroad and assist them with money gifts. After the last war, benevolent remittances to foreign countries reached high figures. In 1920, such remittances exceeded \$579 million, and between 1921 and 1928 they averaged \$335 million. Here, again, the banks specializing in this business will supply their correspondents with full facilities for



the transmission of funds by mail, air mail and cable. They will furnish remittance and draft forms in the name of the local bank, supply periodical foreign exchange rate cards, schedules of charges and information on any matter pertinent to the business.

Foreign banking is a desirable business. It nets a good profit and is an important factor in obtaining new business and retaining old accounts. Persons requiring foreign facilities will, of course, maintain their accounts with banks that have such arrangements. The exporter and importer will be reluctant to have an account with a bank that cannot handle his letters of credit, collections, foreign exchange and furnish him with required data. The person who needs remittance facilities will carry his thrift account with the bank that offers this service.

Banks in the United States have an unusual opportunity to develop a new and lucrative business and be of service to the public in providing needed facilities.

II. The Bretton Woods Hearings

HERBERT BRATTER

IN the course of the House Banking and Currency Committee hearings on Bretton Woods, which began March 7, testimony reflecting all shades of American opinion was presented. The Government's case for adoption of the Fund and Bank agreements and the enabling bill HR 2211 was set forth at great length with patience and skill. The American Bankers Association, represented by President W. Randolph Burgess, the late Leon Fraser, W. L. Hemingway, and Brigadier General Leonard P. Ayres, frankly and fully expounded its objections to the Fund and set forth the case for an alternative method of international financial cooperation.

The Government's stand for adoption of the BW program without amendment of the Fund and Bank agreements received the support of many civic and religious groups, whose representatives appeared before the committee to advocate the program almost solely on the grounds that it would constitute international cooperation and so make for peace and full employment here and abroad. Labor spokesmen asked full acceptance of BW on the grounds that it would make jobs in export industries. Farm groups saw in BW similar benefits for American agriculture.

Apart from the Association, various witnesses suggested one or another modification of the BW program. Of these, the report of the CED probably has attracted more public attention than any other. That report was made public in March. The CED witnesses did not appear before the committee until May. Both during the interval and in the course of the CED testimony before the committee, the CED plan was subjected to careful scrutiny which failed to develop sufficient precision or advantages, notwithstanding the Treasury's clear willingness to accept it. That willingness is attributed to the

belief that the CED plan would only nominally alter the BW agreements.

The National Grange, which last year recommended rejection of the BW Fund, subsequently modified its position and in its testimony before the House committee suggested instead that the Fund be accepted with modifications. The American Farm Bureau Federation, on the other hand, urged adoption of the BW agreements without modification.

ALBERT S. GOSS, master of the National Grange, adhered to the earlier Grange position that "there is a weakness in the Fund plan.

"A nation," he said, "might constantly buy more than it sold. In individuals we call this living beyond their means. It leads to trouble, but lots of people do it as long as other people will trust them. Many nations have done the same thing. If they could buy all the American dollars they wanted by putting their currency into the Fund, the Fund would eventually be stripped of the good currency and filled with the poor currencies of nations who sold less than they bought. Under the BW proposal this would be hard to prevent, for the control of the Fund lies largely with those who would want to borrow from it."

The Bank is supposed to make loans on definite security and only when there is reasonable assurance of repayment, said Mr. Goss, adding that the National Grange saw the danger of using the Fund instead of the Bank for general credit purposes. The Grange therefore proposed "that each nation's use of the Fund should be limited both as to the amount and the time such use should run, so that any excessive amount, or any amount which would run for longer than a sufficient time to cover short term demands (possibly limited to one year), would be cleared up by securing loans from the Bank or from other sources.

"If the Fund were used solely for monetary stabilization and this was assured by limiting its use to short-

(CONTINUED ON PAGE 116)

A model of the 204-passenger Consolidated Vultee plane, which can make the New York-London trip in about nine hours. The plane is 182 feet long and has a 230-foot wing span, equal to the height of a 21-story building. There are two decks, six engines. Pan American Airways has ordered a fleet of these clippers



The Country Banker

Country Bankers Are on Their Toes

A. G. BROWN

The author is deputy manager of the American Bankers Association and director of its Agricultural Commission. The data used in this article were prepared by MR. BROWN in collaboration with his assistant, GEORGE J. JARVIS.

AGRICULTURAL loans on the books of all active banks in the United States totaled \$2,248,932,000 at the beginning of this year, an increase of 2 per cent over the amount outstanding two years earlier, and an increase of 100 per cent during the past eight years. Yet hundreds of country banks have suffered serious declines in their agricultural lending business, partly because farmers in their communities are using less borrowed funds, and partly because of government-subsidized competition.

The situation is quite spotty. Not only are there big differences in the market for farm credit in different states, but there are wide variations in the kinds of credit being used. The farm mortgage debt has been whittled down in most areas, while short-term operating credits are in many places expanding. Loans guaranteed by the Commodity Credit Corporation have also grown to very large proportions in some states.

Agricultural loans January 1 were subdivided as follows on the banks' reports to supervisory agencies:

| | | Change from two years earlier |
|----------------------------|------------------|----------------------------------|
| Guaranteed by CCC..... | \$ 820,150,000 | +5% |
| Production loans, etc..... | 958,331,000 | +3% |
| Farm mortgages..... | 470,451,000 | -5% |
| Total | \$ 2,248,932,000 | +2% |

At the beginning of 1937, the banks had practically no CCC paper. The astonishing total shown above has been built up mostly since this country entered the war, although at times previously the banks in cotton, wheat, and corn states held considerable quantities of guaranteed loans on those commodities.

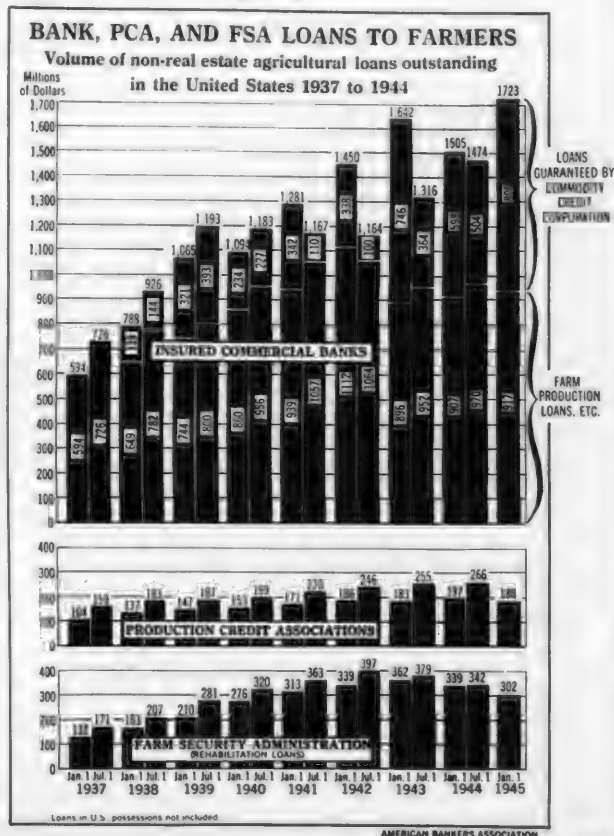
There are no official statistics showing agricultural loans made by banks. The only comprehensive data on bank credit for agriculture are the balance sheet figures submitted by all banks June 30 and December 31 of each year with their reports to the Comptroller of the Cur-

rency, state banking departments, Federal Reserve banks, and the Federal Deposit Insurance Corporation. These "snapshots," taken twice a year, are not necessarily a measure of the activity of banks in financing farmers. For instance, a bank may make many loans after June 30 for harvesting and marketing expenses and be repaid nearly in full by the end of December, but this financial service would not be reflected in the semi-annual statistics of loans outstanding.

A Report of 7,000 Country Banks

A study nearing completion by the Agricultural Commission of the American Bankers Association will pro-

Table 1



vide some estimates as to the number and amount of agricultural loans made last year by banks in each state, as well as other statistical data that have never before been available. This study includes an analysis of questionnaires recently returned by more than 7,000 country banks. A year ago some information was obtained on the agricultural loans of a somewhat larger number of banks, in our "1,000-Point Survey" and figures were published for every state showing the number of farmers that were financed in 1943 by all banks. The total for the country was 2,340,000, or 38 per cent of the 6,100,000 farmers in the United States. Six out of every ten of these farmers using bank credit in 1943 borrowed less than \$300—evidence that the small farmer's principal source of credit is the country bank.

As for the government-sponsored farm credit agencies, the tendency has been to stress "loans made" rather than "loans outstanding" in their reports on operations. Naturally, a public agency plays up figures that show its activities. Loans made during a year by the PCA's are considerably larger than the amounts of such loans outstanding at the end of a year. Preliminary results of the A.B.A. survey show that this is true also with agricultural loans of banks.

| | Loaned during 1944 | Loans outstanding end of 1944 |
|---|--------------------|-------------------------------|
| Production Credit associations... | \$490,077,000 | \$ 191,698,000 |
| Federal Land banks..... | 70,275,000 | 1,136,928,000 |
| Federal Farm Mortgage Corporation..... | 35,017,000 | 329,700,000 |
| Banks for Cooperatives..... | 363,637,000 | 212,835,000 |
| Emergency crop and feed loans... | 18,725,000 | 139,526,000 |
| Regional Agricultural Credit Corporation..... | 15,665,000 | 12,195,000 |
| Farm Security Administration: | | |
| Rehabilitation loans..... | 69,281,000 | 302,101,000 |
| Farm purchase loans..... | 23,317,000 | 169,488,000 |

The outstanding loans of the Land Bank System, in-

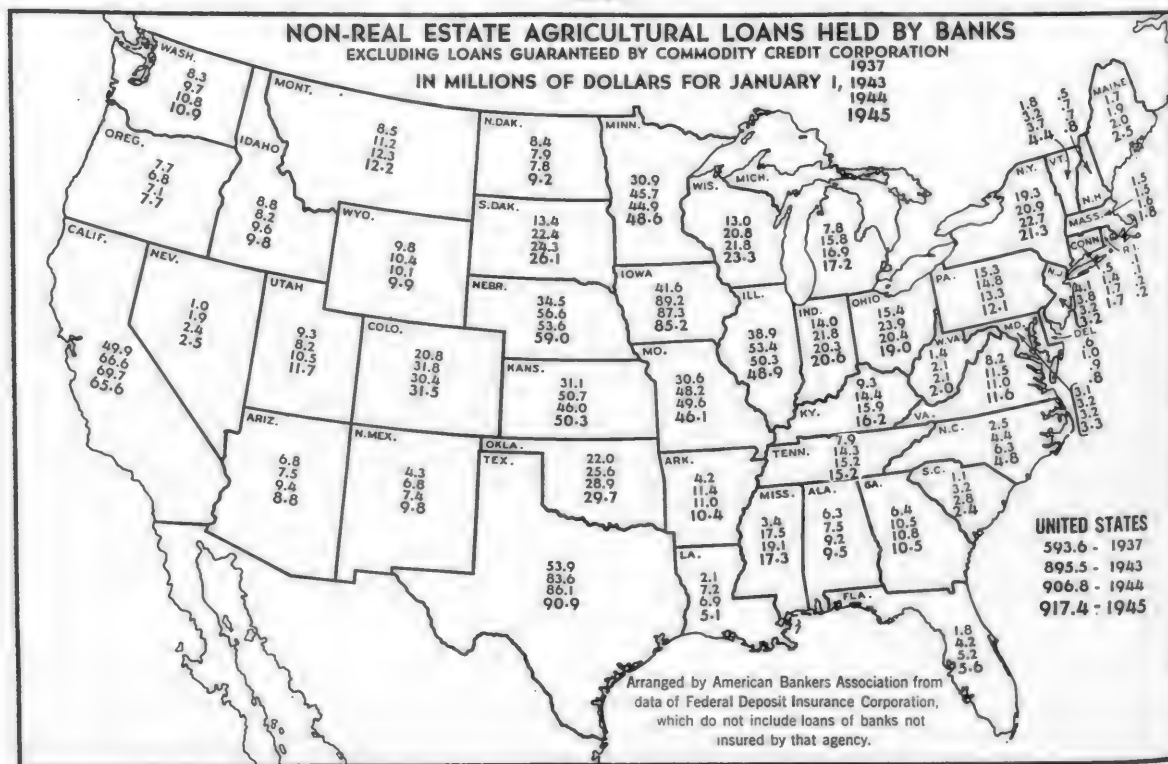
cluding "Commissioner loans" of the Federal Farm Mortgage Corporation, have decreased 31 per cent in two years, even though the amount loaned in 1944 was the largest amount for any year since 1936. In other words, the System has an increase in new borrowers, but the old borrowers have been paying down their loans so fast that there is a large net decrease in total loans outstanding. The farm real estate loans of commercial banks have not declined nearly so fast as have those of the Federal Land banks. The farm mortgages recorded by commercial banks have been running more than twice the amount closed by the Federal Land bank.

Chart 1 shows the total outstanding loans of three groups of agencies supplying short-term credit. The rehabilitation loans of the Farm Security Administration have been decreasing since 1942. They *should* decrease in a time of prosperity, as this agency was set up during the depression to finance and supervise farmers unable to obtain credit from other sources. The PCA's loaned slightly less in 1944 than in the preceding year, but their loans outstanding on July 1 were at an all-time high, and the general trend of PCA operations is upward.

Bank loans, other than those guaranteed by the Commodity Credit Corporation, are usually higher at midyear than at the beginning or end of the year, because much of these are for production expenses incurred in the Spring, the loans being paid in the Fall from sale of the crops. This seasonal movement is also pronounced in the loans of government agencies. On the other hand, the bank loans underwritten by the Commodity Credit Corporation are generally much larger in the Winter than in the Summer, as these represent harvested crops that have been put in storage awaiting a favorable time for release into the channels of trade. Usually, by July 1, the volume of CCC-guaranteed bank loans shrinks to only a fraction of the volume held January 1.

(CONTINUED ON PAGE 60)

Table 2



It Pays to Farm Well

CHARLEY MCBRIDE of West Salem, Ohio, is a banker. He is cashier of the Farmers State Bank of West Salem. But Charley is a farmer, too, and his opinion on things agricultural is sought and respected by his many farmer friends.

Few things in recent years have stirred Banker-Farmer McBride's enthusiasm as deeply as the program now being sponsored by the Federal Reserve Bank of Cleveland to stimulate practical soil conservation methods in the Fourth Federal Reserve District. Charley's enthusiasm is shared by dozens of rural bankers and farm representatives who have participated in the group meetings conducted by Phil S. Eckert, agricultural economist of the Reserve bank. It is shared, as well, by farm experts of Ohio State University, county farm agents and Soil Conservation Service supervisors who have joined whole-heartedly in support of the program.

The soil conservation meetings, inaugurated at Oberlin on April 11, will continue into the Summer to cover all counties in Ohio and those counties in western Pennsylvania, northern West Virginia and eastern Kentucky which are in the Fourth District. The meetings are predicated upon the dictum that "it pays to farm well."

"The necessity for rebuilding and maintaining soil productivity," said President Ray M. Gidney of the Reserve bank in opening the Oberlin meeting, "offers country banks an opportunity for service that is seldom equaled. The challenge presented must be accepted — the need for action is great."

This challenge is being accepted by the bankers. Upon them, in close cooperation with their farmer patrons, rests the future of the present soil conservation program which, if successful, can be highly beneficial to the bankers and farmers and their communities.

Let's take a typical meeting, such as the one at Oberlin. It is attended by from 25 to 35 bankers and farm representatives from four to six adjoining counties. After a dinner, the guests and speakers are welcomed by

President Gidney or another senior officer of the Reserve bank. Then Economist Eckert explains the purpose of the program.

"For at least 15 years," Mr. Eckert discloses, "there has been a continuous decline of soil resources in Ohio, with a marked acceleration in the downward trend since the start of the war. The banks, under our program, are cooperating with the farmers to help restore this serious loss of soil productivity through proper rotation of crops and adequate applications of fertilizer and lime to the soil."

Mr. Eckert then introduces two agricultural experts from Ohio State University; they are the main speakers. One, an agronomist, describes what is happening to our soils and what we must do to begin a program of soil-building. The other, a farm management specialist, gives statistics and case histories which prove that soil maintenance is not philanthropy, but a business proposition.

THE meeting is thrown open to general discussion. Like Charley McBride, many in the audience are both bankers and farm owners. They raise questions about practical farming. They recite their own experiences with crop rotation and liming. The university experts usually have the answer to each question. From the nature and scope of the questions it is clear that most bankers and farmers appreciate the value and importance of soil maintenance and are equally concerned with the future productivity of the land.

Before the meeting is adjourned, Mr. Eckert hands out copies of his pamphlet, "Country Bank Action on the Soil Front," a pamphlet entitled "Liming Soils," and copies of a "lime note"—a special promissory note form evidencing credit extension for the purchase of farm liming materials.

Bankers, alert to the lending possibilities now and after the war in liming and other means of soil maintenance, are quick to see the advantages of pushing the soil conservation program.

LARRY LANDIS

A soil conservation meeting at Columbus, Ohio, under sponsorship of the Federal Reserve Bank of Cleveland



News Around and About

Increased Interest in Soil Conservation Plans

THE accomplishments in soil conservation programs in several states sponsored by or participated in by bankers have been recounted in **BANKING** from time to time. Increased interest in this subject is noticeable in many directions. For example, the American Bankers Association, through its Agricultural Commission, recently disclosed its awareness of the need for greater efforts in reclaiming eroded soil and in preventing erosion by appointing a committee to study the problem. Advice and counsel is being sought by the committee from leading authorities, including Dr. H. H. Bennett, director of soil conservation, U. S. Department of Agriculture. When its study is completed, recommendations for a nationwide program will be made.

W. W. Campbell, president, National Bank of Eastern Arkansas, of Forrest City, is chairman of this committee. He is assisted by J. P. Culpepper, vice-president and cashier, Bank of Alapaha, Georgia, and R. N. Downie, president, Fidelity State Bank, Garden City, Kansas.

Another example of increased interest in soil conservation is provided by a recent meeting of the Agricultural Committee of the Iowa Bankers Association, when members voted to place soil conservation second only to an outside farm program on its agenda of agricultural projects.

At a meeting at the Kansas State College of Agriculture, in Manhattan, Kansas, Dr. R. I. Throckmorton, head of the Agronomy Department, proposed the adoption of a program, to be based on a study and map of each of the 105 counties of the state, as follows:

- (1) Recognition of the one outstanding soil conservation district of the state, with a certificate to be given by the Kansas Bankers Association.

- (2) Recognition of all individual farmers who install the published conservation program of the district on their own farms, certificate to be given by the Agricultural Committee of the KBA through its county or regional bankers association.

- (3) Telling the story of soil conservation and the part the bankers of the state are playing in it.

This meeting was attended by the Agricultural Committee, the Competing Credit Agencies Committee and top officers of the Kansas Bankers Association, by leading agricultural economists from State College, and A.B.A. agricultural authorities.

The story, as told by Larry Landis, of the soil conservation program recently introduced in Ohio, and later to be extended to western Pennsylvania, northern West Virginia and eastern Kentucky, by the Federal Reserve Bank of Cleveland will be found on page 55 of this issue.

The Oklahoma Bankers Association has achieved nationwide recognition of its soil conservation program



The deep interest of Chester C. Davis, president of the Federal Reserve Bank of St. Louis, in agricultural development is evident in a phomural 11 x 13 feet, finished in a rich, copper brown color, and installed in the corridor near his office. Mr. Davis is shown pointing with pride to the new phomural

which includes the granting of certificates to individual farmers. A similar program was enunciated by the Georgia Bankers Association last year. The Committee on Agricultural Credits of the Missouri Bankers Association has made its major project for 1945 "A Balanced Farm Program" which stresses soil conservation.

Credit for Peak Production

The SECOND NATIONAL BANK of Belvidere, Illinois, serves an area in the heart of the Chicago milkshed, where bank credit is used for the most part in financing peak production herds, and the raising of livestock for market.

President Omar B. Wright has this to say about the bank's lending activities: "In order to obtain a high producing herd, it is necessary for many farmers, a large number of whom are tenants, to borrow large sums at a time, repayable on a monthly basis out of income from milk checks. Another substantial volume is represented by feeder loans for hogs and steers, usually repaid in lump sum at the time of marketing.

"In order to protect the bank's interest and also aid the farmers, we have a man who spends most of his time visiting farms, checking on the care and management of livestock, and offering helpful advice whenever there is any opportunity.

"After each call, he makes a written report to the officers of the bank covering number and condition of the herd, available feed, quartering, etc. This report is checked periodically against the security usually covered by a chattel mortgage. Some loans are checked monthly, while others only a few times during the year. With this safeguard, we have not had any losses from this type of

loan, although at times his report will indicate the need of some immediate action.

"We would not want too many loans of this character without the safeguard of a 'road man'—as we call him. He is a practical farmer, has a pleasing personality and knows how to get at the facts and interpret them. When there is an apparent need for action, officers take over and follow his recommendations; he never attempts to make such adjustments on his own." This undoubtedly saves embarrassment and keeps his contacts free and independent.

Data Available on Farm Credit

"Agricultural Credit and Related Data" is the title of a publication which the Agricultural Commission produces each year. It sets out the amount of agricultural loans in the country as a whole and for each state, for banks, PCA's and the FSA. In addition, it presents tables and graphs revealing the percentage of agricultural loans and all loans in each state; the number of farms, number of banks, PCA's, FSA's; the estimated subsidies received by PCA's and their average loan.

These and many other data included in this publication are of the type that banking leaders should have to formulate policies that should be followed in the relationship of banks and PCA's and other competitive credit agencies.

Copies are available upon request, without charge.

Emphasis on Community of Interest

It is not a paternal gesture toward agriculture that brings results, but rather the realization and emphasis on the community of interest between banks and producers. In encouraging progressive practices among farmers and stock men, the banker can also emphasize the service the banks have to offer in the adoption and development of these practices. Such is the thinking that prompted the agricultural committee of the Nebraska Bankers Association to produce a series of newspaper advertisements, in mat form, for the use of member banks. The ads were not released by the committee as a complete series, however. Rather the committee found an advantage in releasing one or two at a time, each covered by a bulletin emphasizing the timely use of each particular piece of copy. Among the subjects released since the beginning of the year were advertisements on contour farming, fertilization, rural electrification, 4-H Club activities and home modernization.

In conjunction with the statewide campaign, member banks were urged to make full use of press contacts in bringing their story before the public in editorial columns. W. A. Sawtell, president of the STOCK YARDS NATIONAL BANK of Omaha, and chairman of the agricultural committee, reports that his campaign has been most favorably received and supported.

Program Based on Cooperation

"Our outside program is based on cooperation with the various agencies and organizations operating in this area," writes Otis Walch, of the DELTA (Utah) BRANCH BANK. The chief agricultural problem in this section is irrigation and drainage, due to light rainfall, flat terrain

and alkali in the soil. Principal products are livestock, alfalfa seed, grain and sugar beets, and a promising poultry raising industry.

"Among our field contacts, the county agricultural agent comes first, because through him we are brought into more or less close relationship with all farm groups. We have invited him to use our lobby for displays and as a distribution center for farm literature. I make it a point to attend as many of his group meetings as possible, to participate in farm tours with these groups, and generally assist in all their activities. For example, I recently accompanied the agent and a group of local cattle breeders on a tour of Colorado Hereford ranches; I also assisted a committee working on irrigation and drainage problems under the direction of the research professor of the Utah State Agricultural College. After the war, when labor is available, we are confident that a practical program of irrigation and drainage control will be put into effect.

"Under the direction of the county agent, the local 4-H Club and Future Farmers have developed an enterprising junior livestock show. I have served on the show committee in various capacities each year. This opens many excellent opportunities to get acquainted with the youngsters and their parents. We make feeder loans to club members, and take keen interest in the project, visiting with the family, giving encouragement to the youngster, and finally helping him find a buyer.

"As a matter of general practice, we work closely with officers of the Farm Bureau, field men of the sugar company, seed and feed houses and livestock buyers. We make frequent calls afield, not to count livestock or check crops, but for a genuine homey visit."

Largest Farm Market in History

A rural housing survey made by the *Country Gentleman* among 2,400 farm families indicates that the largest farm market in all history lies immediately ahead. The results of the survey are contained in a 72-page brochure entitled "Looking Ahead in the Farm Building Market," and illustrated profusely with charts, maps, tables and photographs.

The *Country Gentleman's* survey provides answers to these questions:

"What are the farmer's plans for new houses?"; "What are the farmer's plans for the repair, improvement or modernization of farm dwellings?"; "What are the farmer's plans for the repair, improvement or replacement of farm structures?"; "Are farmers interested in prefabricated dwellings and farm structures?"; "What new developments in dwelling construction methods and building materials appeal to farmers?"; "What is the farmer's opinion of the building industry?"; and "Will the farmer buy household appliances, furnishings and equipment?"

The survey indicates 16.6 per cent of the farm families plan to build at least one new house. Almost two-thirds of those planning to build have already set aside the funds. In all, 72 per cent plan to repair or remodel their present homes. An equally large number expect to repair or build other farm structures. And 68 per cent intend to spend an average of \$271 on household appliances.

Face-Lifting Main Street, Monett, Mo.

W. V. Davis, president of the FIRST NATIONAL BANK, Monett, Missouri, tells of a project, underwritten by the local Chamber of Commerce, and supported by the business interests of the community, to do a post-war job of face-lifting Broadway, the town's main street.

Two objectives prompt the plan: (1) To bring the business district up to date, with modern store-fronts, and a greater uniformity of treatment and design, with a view to improving appearances and attracting more business; and (2) to provide employment of local building trades on the initiative and capital of individuals, rather than as a municipal or governmental project.

For a starter, the committee focused attention on the heart of Monett, both sides of two blocks which contain the most prominent business establishments. A set of photographs have been made of each building for an exhibit of "before and after" scenes. Meanwhile, an architect is developing sketches of suggested improvements for each unit, all conforming to an over-all pattern that will transform the section into an architecturally modern unit. When the drawings are complete, the committee will approach the property owner or renter for cooperation in executing the plan.

When the owner or renter decides to go ahead with the plan, he will pay to the chamber a pro rata share of the architect's fee. Bank financing is available, of course.

FRB, Richmond, Discussion Groups

A series of six meetings arranged by the Federal Reserve Bank of Richmond was recently held in Cumberland, Bel Air, Westminster, Frederick, Easton and Salisbury, Maryland, with 125 Maryland bankers attending.

Small groups of bankers were invited to attend the meetings for the purpose of discussing current banking problems, as follows: (1) Sources of area income; (2) factors influencing growth or decline of bank deposits; (3) area outlook for loans; (4) the Federal debt (with particular reference to the effects of Treasury policies on the banking system); (5) bank reserves and the government security market; and (6) deposit analysis and conversion of assets. The bank prepared a pamphlet entitled "Deposit Analysis as a Basis for Banking Investment and Loan Policies," which was used as the basis of discussions on point six in the conference series.

Earlier in the year, 10 conferences were held by the Richmond Federal Reserve Bank in Virginia, and similar meetings are planned for West Virginia, North Carolina and South Carolina.

News for Farmers in Advertising

When the FIRST NATIONAL BANK of Concord, New Hampshire, talks to farmers in paid newspaper space, copy invariably hits a timely, newsy theme—not about banking, but farming.

For example, the Spring campaign marshalled facts and figures on the advantages of top-dressing better grasslands and pastures with high nitrogen complete fertilizer. Copy recommended the formula, and the amount required per acre, a procedure which offered seven to ten days earlier grazing, an important point in

view of the hay shortage and the high cost of buying feed.

In support of this recommendation, the bank offered a 90-day loan on what it called a "Fertilizer Thrift" plan, an arrangement which netted the farmer-borrower an actual earning of $8\frac{1}{2}$ cents on the dollar invested in fertilizer for top-dressing purposes, figured on the basis of cash discounts and savings in feed costs.

New York Chattel Mortgage Law

Governor Dewey signed a bill allowing fuller extension of farm credit by New York agricultural lenders. Greatly liberalizing loaning procedure and the cost of credit to the farmer, the new act provides all lenders with advantages formerly enjoyed only by Federal farm loan agencies.

Introduced by Senator Floyd E. Anderson of Binghams, the new law was drafted and sponsored by Alan J. Flattery, assistant to Crandall Melvin, president of The Merchants National Bank and Trust Company of Syracuse, in his capacity as chairman of the New York State Bankers Association's Committee on Chattel Mortgage Law Revision. Mr. Flattery, an attorney, is the author of a widely-used booklet, "New York Chattel Mortgages."

Heretofore, New York lenders and borrowers suffered a decided legal as well as economic disadvantage compared with the Federal agencies, according to Mr. Flattery. Support of the Federal agencies for the new act was gained by Mr. Flattery's committee.

Later this year the New York State Bankers Association will publish a pamphlet on the new law. It will outline its many features, set forth a new form of agricultural chattel mortgage, and contain suggestions on the use of the instrument as a "valuable farm credit tool."

Employees Get Top Rating at Culver

Any consideration of merchandising country bank services starts from the same base—the home plate, as it were—the staff organization. Down in Culver, Indiana, the STATE EXCHANGE BANK presents a good example of this school of thought. "The employee group," writes W. O. Osborn, cashier, "represents the most important part of our organization; without a capable, courteous staff we could not begin to serve either our stockholders' nor our customers' interests properly."

On the sound philosophy that a contented employee makes a good employee, this institution has inaugurated a number of progressive policies aimed at making the bank the most desirable place to work in town. For one thing, the bank converted its basement into an attractively furnished recreation room and restaurant, where both breakfast and lunch is served free to all who want it. This is in keeping with a general policy of providing modern furnishings and equipment for work as well as recreation. (See photograph on page 59.)

Another point, which makes great headway in maintaining the proper *esprit de corps*, is the bank's policy of issuing periodic reports to employees on earnings and expenses, and progress of each department generally. "Harmony in our working organization is a pet theme with us," says Mr. Osborn.

"Surplus" Lands to Be Sold by FCA

The Surplus Property Board named the U. S. Department of Agriculture as the disposal agency for surplus agricultural and forest lands no longer needed for war purposes and the Secretary of Agriculture, in turn, designated the Farm Credit Administration to carry out the actual work involved.

The tracts to be disposed of are scattered throughout the country. Public announcement of their location and description will be made after assignment to the FCA.

Preference in the purchase of these lands is to be given, as provided by law, first, to Federal, state, and local government agencies; next to farmer owners; and then to former tenants, if the land was rented at the time of government purchase. What remains after these preferences are exercised is to be divided into economic units and offered, first, to veterans of the present war, and, second, to the general public.

Consumer Credit Needs Outside Man

Asked what prompted his institution to engage in an outside program, S. R. DeCou, cashier of the FIRST NATIONAL BANK of Woodbine, Iowa, tells a familiar story of the condition of farm prices back in the early Thirties, which froze farm debt for several years. Woodbine was particularly unfortunate, for in addition to the price lag the area was hit by a series of dry years, further depleting farm income.

Finding the old rule of thumb—that the incentive to pay grows old with a debt—is a human trait not easily reckoned with under the old policy of doing business; the bank adopted a pay-as-you-go basis for local agriculture. Accordingly, the new program required regular inspections of chatteled goods. Borrowers received advance notice of the inspection date, and were expected to cooperate in receiving the call.

After diversifying the loan portfolio, and at the same time meeting the area's need of consumer financing of automobiles, farm machinery and household appliances—the bank concluded that a field man was the only answer for the increased outside responsibilities and loan commitments. Too often a delinquent loan becomes hopeless and wants attention at the start, says Mr. DeCou.

There is only one danger in field operations, he adds:

Reorganization of Farm Credit Agencies

As we go to press, the long-awaited bill to reorganize government agencies lending to farmers was introduced in the House of Representatives by Chairman Flannagan of the Committee on Agriculture. Designated as H.R. 3221, it takes the Farm Credit Administration out of the Department of Agriculture and places it under an independent board of seven members, which, besides administering the "hard credit" agencies would also take over and consolidate the functions of the Farm Security Administration, the RACC, and the Emergency Crop and Feed Loan office.

A detailed explanation of the bill will be given in the next issue.



Employee recreation room and restaurant at the State Exchange Bank of Culver, Indiana

The ever present possibility that enthusiasm for new business might influence a field man to over-reach his territory and tread on someone's toes. By scotching any such inclination as soon as it is detected, this bank hopes to keep relations with neighboring banks on the highest plane, and concentrate its competitive strategy in other directions, where it properly belongs.

Indiana Bank Buys Shearmasters

The FIRST CITIZENS BANK of Greencastle, Indiana, has made available to farm customers two electric shearmasters, according to President J. B. Crosby. These shearmasters will be available in the county agent's office and those wishing to make use thereof can make arrangements either by contacting him or the bank.

The bank has also signified its willingness to provide clipping combs for the shearmasters, thus making them available for clipping cows and fitting stock for livestock show purposes.

According to a recent report, Putnam County, which is served by the FIRST CITIZENS BANK, had 25,550 sheep.

First Mortgage Banker Farm Seminar

A mortgage banker farm seminar, sponsored jointly by the Mortgage Bankers Association of America and Purdue University, will be held in Lafayette, Indiana, from June 24 to 30. The course will be the first ever offered devoted exclusively to farm mortgage lending and will consist of morning, afternoon and evening sessions for five and a half days.

A wide range of subjects related to the nation's farm economy and farm mortgage lending will be covered, including present-day appraisal practices, the rapid rise in farm land prices in recent years, outlook for farming after the war, the danger of inflation, possible places of private lenders in farm lending, livestock and cropping systems, soil classification, farm housing and the Government's role in farm lending.

Outstanding authorities on agricultural economics will speak at the seminar, including Dr. E. C. Young, dean of Purdue's graduate school and a member of the Advisory Council of the A.B.A.'s Agricultural Commission. Earl L. Butz, of Purdue's agricultural economics department, will be director of the course, and George H. Patterson, secretary of the Mortgage Bankers Association, will act as registrar.

Any person with a direct or indirect interest in farm mortgage lending may enroll.

Cost Analysis Survey in Progress

The A.B.A. Commission on Country Bank Operations' cost analysis survey is progressing according to schedule and preliminary tabulations indicate that some interesting information is in store for participating banks. It will be several weeks, however, before the final analysis is ready for submission to the banks.

Bankers on Their Toes

(CONTINUED FROM PAGE 54)

Approximately one-half of all of the bank credit used by farmers is concentrated in the 12 north central states in the triangle reaching from Ohio to Kansas and north to the Dakotas. This is true both of mortgage credit and of short-term credit supplied by banks, although it is not now true of commodity loans guaranteed by the CCC. These states use only one-third of all PCA credit and use less than a third of the rehabilitation loan funds of the FSA. Until the tight feed situation developed, this area also had a large volume of corn loans held by banks under the CCC program. Wheat loans are important in Kansas and North Dakota.

In most western states, farm mortgages are relatively insignificant in the agricultural lending business of banks as compared to chattel mortgages, collateral loans, and unsecured loans. Moving eastward through the north central states, however, the proportion of agricultural loans secured by real estate constantly increases to Ohio and Pennsylvania, where the amount of bank-held farm mortgages is nearly double the volume of non-real estate agricultural loans. Real estate loans on Indiana farm land showed an 18 per cent increase in two years, at the same time that non-real estate loans decreased. However, the state with the largest volume of farm mortgages in the banks is California, where \$48,007,000 were held at the beginning of this year; this represents a decrease of 55 per cent from the amount held by California banks eight years ago. California and Iowa are tied for second place as to volume of non-real estate agricultural loans, with Texas in the leading position.

Table 2 shows the trend of banks' non-real estate loans to farmers in every state in the past eight years. The numbers shown on the map represent loans outstanding in millions of dollars as of the first day of 1937, 1943, 1944, and 1945. Loans guaranteed by CCC are not included. Substantial increases during the eight year period are shown for most states except a group on the eastern Seaboard centering about Pennsylvania, and a few scattered western states. During the past two years, however, there have been marked decreases in these loans in parts of the corn belt, because of good farm incomes and also, probably, because of a decrease in purchases of feeder cattle.

The loans shown on this map are about the same type as those made by the PCA's. Data comparing bank and PCA loans are being set up for each PCA territory by the

County Agents Assisting Key Bankers

Directors of Extension of Agricultural Colleges have responded almost unanimously in their endorsement of the Agricultural Commission's suggestion that they grant permission to county agents to participate in the nationwide call to county key bankers to hold agricultural meetings to discuss (1) sale of War Bonds to farm families to build financial reserves for post-war use; (2) trends in farm land prices; and (3) assistance to returning servicemen.

Agricultural Commission of A.B.A. and will be available for release soon.

Possibilities for Future Expansion

Many a bank in casting about for more loans has considered what might be done to recover business from the Federal agencies. Methods that banks have found effective in many states are described in the Country Banker section of BANKING and in the "Home Front" manual issued last year. While efforts continue in Washington to stop needless subsidization of farm credit programs, most country banks are "on their toes" for the farm business of their communities and have adopted methods that are getting results.

Many progressive banks are creating new business by encouraging farmers to pay cash (with the proceeds of bank loans) for their supplies and equipment, instead of using costly store credit or dealer finance services. Here is a source of loans that some banks have scarcely tapped.

Just how much merchant and dealer credit is being used by farmers is not definitely known, but it has been estimated to run as high as a billion and a quarter dollars. There will be some dependable data on it later if the Agricultural Finance Division of the Bureau of Agricultural Economics is able to carry out a study that has been planned for the purpose of determining the amount of credit given to farmers in every section of the country by stores, dealers, finance companies and individuals. Whatever the amount, it is known to represent a real potential in agricultural loans. Only a few country banks have measured the possibilities in their communities, but wherever a study has been made, it has generally revealed that a large part of non-real estate credit to farmers is still furnished by merchants and dealers. The BAE study, if completed, should be a real eye opener to banks desiring to increase their farm credit business.

When exploring new types of credit much sifting may have to be done. Many users of store credit cannot qualify for bank loans, but many can who do not. At present, less merchant and dealer credit than formerly is being used by farmers, because of their large cash reserves, and the fact that little machinery and equipment have been on the market. However, more farm tools and machinery are promised this season than in any previous war year, so the credit possibilities here will not be small. Nevertheless, whatever the amount which can be handled by banks, it will require the same selection and care as is needed for all sound loans. This is for the welfare not of the banks alone but of the farmers who are financed and also of those other farmers whose applications to go in debt are denied.

WASHINGTON

RECONVERSION is no longer completely in the future. We have been talking about it so long that it is hard to realize it is already upon us. OPA has announced its reconversion pricing program, under which most peacetime goods returning to the market will sell at 1942 retail prices. (Note the word "retail.") OPA has set up four main objectives: (1) Prevention of inflation; (2) facilitating full production; (3) encouraging full employment; and (4) relaxation of controls as soon as war conditions are absent. Since the power to fix a business man's selling price is the power to control his profitable operation, there will be strong pressure to do away with price control as soon as possible.

DISPOSAL of surplus government-owned consumer goods has been transferred from the Treasury to Commerce Department. There is also a tendency to curtail some surplus government agencies.

GI LOAN applications, according to the Veterans' Administration, thus far are preponderantly for home purchases, and of \$8,700,000 of commitments through April, \$8,330,000 were in that category. Only 346 applications for business-loan guaranties had been received, and 172 farm-loan guaranties. Actually granted by April 30 were 239 business-loan and 88 farm-loan guaranties. The Patman Small Business Committee publicizes complaints that the Veterans' Administration delays too long in processing applications.

It took only some 30 pages of talk for Congress to talk itself into a \$2,500 per annum per member tax-exempt salary increase in the guise of an expense allowance. Representative Robert F. Rich of Pennsylvania was not the only one to speak against the increase, but, since the House approved by voice vote, there is no full record of those who opposed.

FEDERAL Loan Administrator John W. Snyder's first important policy decision was to seek congressional

President Truman reads his Victory Proclamation to reporters on May 8. Several government officials are seated near him



HARRIS & EWIN

June 1945

approval to absorb certain RFC subsidiaries into the parent corporation. This governmental cannibalism, according to the FLA, will simplify operations. With congressional approval, the Rubber Reserve Company, Metals Reserve Company, Defense Plant Corporation, Defense Supplies Corporation and a non-war agency, the Disaster Loan Corporation, will lose their identities and become mere divisions of the RFC. Not affected by the plan are the War Damage Corporation, the RFC Mortgage Company, or the Federal National Mortgage Association. The intended dissolution might be accomplished by the orthodox method of corporation merger, but that would involve much paper work and time, since all contracts would have to be amended. Dissolution might be effected temporarily by executive order under the first War Powers Act, but such dissolution would automatically end six months after the war. Therefore, a simple joint resolution was requested of Congress.

THE war's effect on the U. S. budget is shown at a glance by two Treasury "statistics":

| | |
|--------------------------------------|-------------------|
| Total Federal expenditure, 1789-July | |
| 1, 1940..... | \$173,000,000,000 |
| Total July 1, 1940-May 5, 1945.... | \$300,000,000,000 |

Including pensions, the Civil War cost us more than \$15 billion, the Spanish-American war \$2 billion, World War I, through June 1934, \$42 billion.

THE Administration, seeking expansion of its trade agreements powers, states that it is essential to lower tariffs because they constitute barriers to international trade. The American Tariff League contends that "an equitable tariff is not a barrier." This is the trade agreements fight in a nutshell.

WMC CHAIRMAN McNUTT promises that after July 1 there will be some relaxation of manpower checks. That is one kind of a check banks would like to see less of.

"CAN you change a \$10,000 bill?" is a question that should not surprise you, if Senator Russell of Georgia is right. The Senator recently called the Senate's attention to all the \$10,000, \$5,000 and \$1,000 bills now outstanding — presumably for the convenience of black-market operators and tax evaders — and stated his view that we "ought to get some of this money out into the daylight."

There are only 24,000 \$10,000 bills now outstanding, compared with 60,000 in 1940, when banks were holding more of them as reserves. And there are only one-third as many \$5,000 bills now outstanding as there were in 1940. However, there are outstanding almost a billion dollars' worth of \$1,000 bills, as compared with \$523,000,000 worth in 1940. The really big increases in currency outstanding are represented by bills of \$100 and smaller denominations.

HERBERT BRATTER

State Bank Supervision

SINCE 1924 there has been a steady growth in the realization that bank supervision is an important governmental function, according to W. W. McEachern, president of the State Bank Division of the American Bankers Association. Mr. McEachern, president of the First National Bank, Fort Lauderdale, Florida, has announced completion of the fifth quinquennial A.B.A. survey on bank supervision.

"For many years," Mr. McEachern said, "the State Bank Division of the American Bankers Association has had as one of its primary objectives the improvement of the status of state bank supervision and it has directed its activities toward such a goal. An efficient and capable state banking department is essential to a sound state banking system and to its preservation.

"Beginning in 1924, the Division has made surveys at five year intervals to determine the progress which is being made in strengthening state banking departments through the creation of banking boards, the extension of the powers of commissioners, the provision for more adequate terms of office and salaries, the elimination of partisan politics, the establishment of suitable minimum capital requirements for banks, and the provision for a suitable number of qualified bank examiners in each state."

Results of this survey have been collected and published by the Division for the confidential use of banking organizations and supervisory officials. The report has been organized into these chapters: Bank Supervisor; Banking Board; Examiners; New State Banks; Checking Unsound Practices; Law and Legislation.

Supervisors' Suggestions

Many suggestions for new banking legislation to strengthen the system of state banks were made by supervisors. The features mentioned most frequently as composing the strong points of their own state banking laws were: minimum capital and surplus requirements, as revealed by 13 supervisors; power to grant or deny charters to new state banks and also the power to remove officers or employees, expressed by eight states; broad discretionary powers of superintendents and banking boards to regulate unsafe and unsound practices, indicated by six states; and restrictions on the extension of credit by banks to borrowers, officers, and directors, by six states. Authority or power of supervisor

A Career Basis

The A.B.A. Committee on State Legislation has recommended that in improving the standards of state bank supervision, the first essential step is to place the office of commissioner on a professional status or career basis. If the merit system or civil service is not employed, it is recommended that the commissioner be appointed by the governor and with the consent of the senate from a list of eligibles having certain specified qualifications submitted by the state banking board.

and banking board to promulgate, amend, or repeal rules and regulations, and to close and liquidate insolvent banks, was mentioned by five states.

Additional strong features of state banking laws include: restrictions governing investments and real estate loans, stated by four state supervisors; disposition of real estate, reported by three states; limitations on loans according to two states; and liability of directors for allowing excessive loans, and unearned dividends, prohibited in one state each.

In response to the question asking what new banking legislation they would most prefer to see enacted in their states, the following legislation was most frequently mentioned:

- Provisions for removing incompetent officers without closing bank
- General recodification of banking laws
- Merging of banking commission and advisory council on banking into a modern banking board
- Clarification of existing banking laws
- Legislation to make national banks subject to same taxes as state banks
- Prohibit further expansion of branch banks
- Increase minimum capital and surplus requirements
- Granting new charters
- Heavier penalty for defalcation
- Consumer or instalment loan law
- Increase salaries for supervisors and examiners
- More authority for banking board to make rules and regulations
- Supervision of building and loans
- Broadening of savings bank investment laws
- Greater flexibility in handling reserves
- Extending length of term of supervisor
- Remove banking department from politics
- Further control over dividend payments
- Additional restrictions on investments
- Authority to correct unsound practices without closing banks
- Statutory requirements for appointment of supervisor

In answer to the question as to the principal elements of weakness in their banking statutes with regard to the office of bank supervisor, 14 were of the opinion that their present laws were adequate or that there were no weaknesses. On the whole, the majority of the supervisors pointed out one or more weaknesses in their statutes. Among the weaknesses mentioned are:

- Office should be removed from politics as far as practical
- Lack of authority to remove incompetent officers
- Lack of authority to effectively administer duties of office
- No limit on loans on commodities
- Insufficient help
- Minimum capital requirement
- Provisions for granting new charters
- Lack of authority to deal with inefficient rules and regulations
- Short term of office
- Inadequate salaries for supervisors and examiners
- Lack of specific qualifications for supervisor

Other Points in the Survey

The method of appointing bank supervisors has changed very little during the past 20 years. In 41 states reporting for 1944 the supervisor is appointed by the

(CONTINUED ON PAGE 64)

An illustration at the top of the page shows several hands reaching down towards a Recordak machine. The hands are depicted in a way that suggests they are releasing or guiding documents into the machine. The Recordak machine itself is a small, boxy device with a slot for documents. To the right of the machine, a large, detailed document is shown, featuring a grid, a signature, and the words 'The First'.

New hands fly through peak wartime loads with RECORDAK

TAKE a look at almost any modern bank—with check traffic up more than 30% . . . and extra help as scarce as “hen’s teeth.” Swamped with paperwork? Naturally, but there’s an exception . . . in departments where Recordak multiplies the value of busy hands.

Working automatically—with photographic speed and accuracy—Recordak proves itself a real bottleneck-breaker . . . increases the value of every employee, new and experienced alike.

Food for thought: Banks familiar with Recordak are “sold” on its great economies . . . its capacity to speed work, *and more work.* You might, for example, consider the Recordak System of Single

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Your Recordak future: Today, because Recordak is an essential “war worker” (V-mail is Recordak), new installations must wait a bit. But this great help in handling reconversion will be more than welcome . . . *and should be planned now.* Investigate Recordak. Write to: Recordak Corporation, Subsidiary of Eastman Kodak Company, 350 Madison Avenue, New York 17, N. Y.

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governor with or without the consent of a state legislative body.

Though the duties and responsibilities of the supervisor are constantly increasing, little has been done in most states to give him a more professional status. Only two states have supervisors under civil service.

Since the last survey, there has been a great turnover in bank supervisors. Of those serving in 1939, only 15 are in office at the present time. The longest continued service as of June 1, 1944 was by the supervisor of North Carolina with 13 years.

The salaries of bank supervisors in 36 states have remained the same. There have been increases in salaries in nine states. The A.B.A. committee recommends "the salary of the supervisor shall be at least equal to that of the highest paid department head in the government of the state." In addition, he shall be "reimbursed for all

actual and necessary traveling expenses incurred in the performance of his duties."

Of the 25 states which have banking boards, nine give their boards the power to establish and enforce policies of supervision.

Most states require an initial capital of \$25,000 and a paid-in surplus for new state banks. Since the survey in 1939 the minimum capital requirements for state banks have remained virtually the same.

In 19 states there are no statutory qualifications required for bank examiners.

According to the current survey, 21 supervisors have full power to select their own examiners, compared to 20 states in 1939, 31 states in 1934, and 32 states in 1929.

Bank supervisors in 23 states are given authority to grant or deny charters for new state banks, while in 31 states the supervisors exercise the power to compel a bank to discontinue unsound practices when revealed in bank examinations.

Bank Credit for Reconversion

OBTAINING for the fourth time in two months a favorable response from a government group investigating post-war credit as applied to small business, Robert M. Hanes, chairman of the Post-War Small Business Credit Commission of the American Bankers Association, demonstrated before a recent hearing of the House Special Committee on Post-War Economic Policy and Planning that "banking has the ability and the desire to meet the credit needs of private enterprise in the post-war period—and to meet them without government guaranty or government insurance."

Mr. Hanes' testimony with regard to banking's financial ability to provide credit in the approaching reconversion period was of primary interest at all the sessions, which included, in addition to the Special House Committee hearing, two appearances before the House Currency and Banking Committee and a special hearing of the Advisory Board of the Office of War Mobilization and Reconversion.

BASING his estimates on figures appearing in Dun and Bradstreet's report of July 1942, Mr. Hanes reported that the credit needs of small business fall into two groups—one composed of 1,500,000 concerns with a net worth of \$5,000 or less and the second group composed of 520,000 concerns with a net worth of between \$5,000 and \$100,000.

With regard to the first group, the Commission chairman demonstrated that if half the group, of 750,000 concerns, would want to borrow \$5,000 each, the total amount of loans involved would be \$3,750,000,000, or less than 10 per cent of the amount loaned by banks in 1940 the last business year before war for which bank loan statistics are available. Similarly, Mr. Hanes applied a yardstick to the second group and revealed that if 50 per cent of the concerns in this bracket wished to borrow \$30,000 each, the amount involved would be \$7,800,000,000, or less than 20 per cent of the amount loaned by banks in 1940.

Testifying that banking has not only the capacity but also the desire to make adequate credit available, Mr. Hanes won approbation for banking from the govern-

ment groups as he related two major achievements recently developed by banks—the emergence of a steadily-growing bank credit group movement which already shows 31 bank credit groups with a total credit reservoir in excess of \$500,000,000, and the revitalization of correspondent banking.

Other phases of the Commission's program were explained at the hearings, with emphasis placed on the encouragement of term lending, the creation of small business loan departments within banks and a nationwide merchandising and educational campaign to spark post-war credit planning by banks and business.

The summary of present and future credit needs, as presented by Mr. Hanes and his Commission delegates, has won for banking an awareness of its foresight on the part of congressional and special government groups, it has been revealed.

The first meeting with a government committee occurred when A.B.A. representatives met with a key House group, the Currency and Banking Committee, for an informal dinner discussion of banking's role in the extension of post-war credit.

Later, A.B.A. representatives again appeared before the same committee, this time to protest the proposed two-and-a-half year extension of the life of the Smaller War Plants Corporation. Contending that SWPC should not be extended beyond the normal expectancy of the war, the Commission was instrumental in gaining the year-and-a-half life limit now in effect. Similar action was taken before the Senate Currency and Banking Committee on the same proposal.

At a third hearing Mr. Hanes, speaking for the Commission, discussed banking's post-war plans with members of the Office of War Mobilization and Reconversion.

Addressing the board, which sought to explore the field of post-war credit, Mr. Hanes explained banking's qualifications for fulfilling future credit demands of small business in the reconversion and post-war worlds.

On the calendar are other congressional hearings on the general theme of post-war credit for small business, scheduled for early June. Later hearings are slated on direct issues revolving about specific credit legislation.

J. E. D.



Why a house that stays up-to-date is a doubly protected investment



This is a new, completely equipped home . . . and it will stay up-to-date for many years to come!

It is well constructed, adequately wired, properly lighted, and the builder has included complete equipment for better living, electrically!

- It has an all-electric kitchen with G-E Refrigerator, Range, Dishwasher, Garbage Disposall, Exhaust Fan, Clock, and Steel Cabinets.
- In the all-electric laundry there's a G-E Washer, Dryer, and Ironer.
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- And there's G-E Automatic Heating with air conditioning.

Certainly this house will still be modern long after ordinary houses are outdated.

And that's double protection for a banker's investment.

First: The satisfied owner will plan to live in his home for a long time: he won't want to move. This *continued occupancy* is assurance of regular monthly payments.

Second: If this home should be offered for resale, it will sell more promptly, command a higher price.

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The difference in initial cost of such a complete home will be relatively minor, and the slight increase in monthly payments may be more than offset by savings in operation and maintenance . . . and long life.

You'll want to see the comparison of costs and operating expenses in the General Electric Booklet, "Your New Home And Your Pocketbook." Write for your free copy today, to Home Bureau, General Electric Co., Appliance and Merchandise Department, Bridgeport, Conn.

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TUNE IN: "The G-E House Party," every afternoon, Monday through Friday, 4 p.m., E.W.T., CBS. "The G-E All-Girl Orchestra," Sunday, 10 p.m., E.W.T., NBC. "The World Today," News, Monday through Friday, 6:45 p.m., E.W.T., CBS.

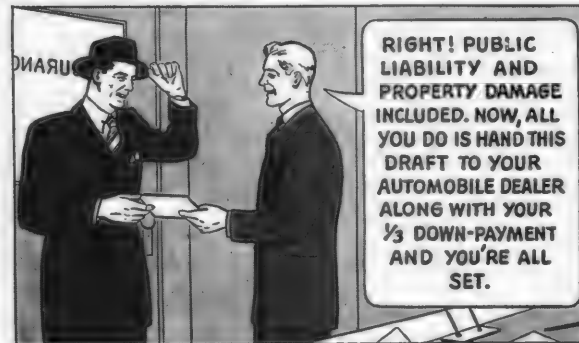
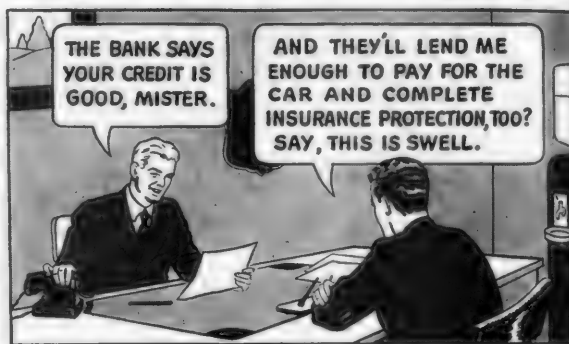


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GENERAL  ELECTRIC

HOW DIRECT AUTOMOBILE FINANCING WORKS

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THAT, in a nutshell, is how the direct method of financing an automobile is done under a plan now in operation in St. Louis, Missouri. It shows the teamwork between insurance agent and bank. It shows how agents who approach their present policyholders *before* they buy a new car can not only bring loan customers to banks, but

can also write new insurance and render a real service to their clients. . . . We'd like to send you our new free folder describing the St. Louis Plan in detail, and also our other free booklets, "The Banker and the Insurance Man in the Auto Trade" and "Character Loans." The American Insurance Group, 15 Washington St., Newark 1, N. J.

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The American Insurance Company • Bankers Indemnity Insurance Company • The Columbia Fire Insurance Company • Dixie Fire Insurance Company • The Jersey Fire Underwriters

Happenings

CONTRARY to some expectation, V-E does not mean greater shipping space for private trade with liberated areas. "Our merchant fleet will have a task of still greater proportions in the redeployment of men and materials to the Pacific," declared Frank J. Taylor, president of the American Merchant Marine Institute.

★ ★

DESPITE cut-backs, estimated by General Somervell at \$3,500,000,000 for the quarter to August 15, income payments to individuals totaling \$156,800,000,000 in 1944 are expected to drop only about 10 per cent for 1945. (They were \$143.1 billion in 1943.)

★ ★

ST. JOSEPH, Missouri, banks formed a "credit pool" in favor of farmers—for soil improvement, etc.

★ ★

A NON-MILITARY mission of officials and business men being organized to investigate conditions in the Philippines with view towards trade resumption. A banking mission has arrived in Manila with special permits from General MacArthur.

★ ★

FIVE states have joined to draft cooperative field auditing staffs for computation of state taxes. Corporations operating in New York, Connecticut, Massachusetts, New Jersey and Pennsylvania will benefit from procedure, said Rollin Browne, New York State Tax Commission president.

★ ★

MILLIONS of new cars are *not* "around the corner." A two-year-lag is seen in the return of natural rubber after reconquest of producing Far Eastern areas, according to E. A. Stevens of B. F. Goodrich & Company. There is also a serious fabrics shortage. Both factors may affect Detroit planners.

★ ★

MEXICO-U. S. bankers conference enunciated four principles to guide world banking: respect for rights of small nations, reliance on private enterprise, regulation but not supplanting of private business by the state, and fostering of inter-American banking cooperation.

★ ★

DISCRETIONARY common trusts may now be set up and operated by New Jersey banks, according to a new law sponsored by New Jersey Bankers Association.

★ ★

AMERICAN banks are now allowed to open "free foreign franc accounts" in France and the U. S. Treasury has issued a general license permitting trade between the countries. Limited shipments to this country are primarily wines, liquors, essential oils, specialties.

★ ★

DESPITE the liberation of Europe, the paper and newsprint shortage here will continue until after January 1. Most Scandinavian supplies are to be diverted first for Continental papers and magazines, and to Britain.

COTTON exports are to be less than expected. One-half of the Italian mills are reported destroyed and French manufacturers are believed unable to finance more than essential needs.

★ ★

INTERNATIONAL Nickel would be better off with its mine at Petsamo than the \$20,000,000 Russia agreed to pay, said Nickel-president Robert C. Stanley.

★ ★

BRITAIN'S reconstruction job, of unheard of proportions, presupposes that employers of older industries are shaken out of their cartelminded lethargy and workers are cured of their biases against technological progress, asserted Dr. Michael Palyi, Hungarian-born ex-economist of the Reichsbank and professor of finance at Chicago University after a trip to Europe as correspondent.

★ ★

CONTINUED and increased acceptance of the low interest rate philosophy "will have a serious effect on the banking system, life insurance, the capital markets and endowment organizations," warned D. B. Woodward, research assistant to the president of Mutual Life Insurance Company of New York.

★ ★

LIFTING of the domestic gold mining ban is expected soon, accompanied by release of materials for equipment makers.

★ ★

NET profits of 13,268 insured commercial banks rose 18 per cent in 1944 to \$751,000,000, but average rate of return dropped from 3.85 per cent in 1943 to 3.44 per cent in 1944, according to FDIC Chairman Leo T. Crowley.

★ ★

COMBINED net assets of 70 open-end investment trust members of the National Association of Investment Companies exceeded \$1 billion for first time on April 30 against \$882 million on January 1.

★ ★

A PROPOSAL to provide equity venture capital for small business by a "system of decentralized local investment funds managed by business men with access to public funds" was made by John F. Fennelly of Glore, Forgan & Company, Chicago, as spokesman for the Investment Bankers Association of America.

★ ★

AVERAGE value of stocks and bonds listed on New York Stock Exchange rose 31 and 13 per cent, respectively, from August 1939 to March 1945, a Federal Reserve Bank of New York study found. (Cost of living index is up 25 per cent "officially" much more in reality.)

★ ★

ARKANSAS has adopted a "revenue-stabilization program" under which more than 100 funds are consolidated and tax reduction will become automatic following certain liquidations.

BANKING NEWS

Blanket Bond Rates

Reduced Again, Saving the Banks \$1,500,000

Cut Negotiated by A.B.A. Committee

Banks will benefit to the extent of \$1,500,000 a year through another reduction in premium rates they pay for bankers blanket bonds resulting from negotiations recently concluded by the Insurance and Protective Committee of the American Bankers Association and the surety companies' Towner Rating Bureau.

This reduction, which went into effect May 1, is the seventh substantial premium cut obtained since 1936, and brings the annual insurance premium savings for the banks through insurance premium cuts up to a total of \$10,600,000 a year. The changes were announced in the A.B.A. "Protective Bulletin."

The premiums charged for No. 2 and No. 8 Revised Bankers Blanket Bonds, exclusive of optional coverages, are reduced 10 per cent, and the cost of the No. 24 Bond without optional coverages is reduced 20 per cent, provided the insured bank accepts a rider which excludes losses through shortages in tellers' cash due to error. The optional coverages are misplacement and forgery clauses.

The premiums charged savings banks for Standard Form No. 5 are also reduced 10 per cent, and savings banks having the NAMS Form may expect comparable cuts. As a result of these changes, the premiums charged for the No. 24 Bond are now 10 per cent less than those charged for the No. 8 Form prior to May 1, and the cost of both forms is now the same. Banks having Form No. 8 are therefore urged to convert it into the broader Form No. 24.

A bank may retain Form No. 8 at a saving of 10 per cent, but since Form No. 24 now affords broader coverage at the same cost as Form No. 8, there is no reason for continuing the latter, says the Bulletin.

Finance Companies Back Factor Lien Legislation

State legislation, patterned after Section 45 of the New York personal property law enacted in 1911, is being urged on behalf of the finance companies interested in factors' lien legislation.

Following the lead of New York, the states of New Hampshire, New Jersey, Rhode Island, South Carolina and Virginia subsequently enacted substantially the same statute. During the 1945 legislative sessions, Maine, Maryland, North Carolina and West Virginia adopted similar legislation and comparable measures are pending in Connecticut, Massachusetts, Michigan, Missouri, Ohio, Pennsylvania, Texas and Vermont.

The sponsors of this legislation contend that "manufacturers are at times handicapped in obtaining adequate financing in those cases where they must give collateral to obtain a loan," because "of the inadequate lien laws in the several states."

The sponsors hold that the proposed act will enable the manufacturer to give the bank, factor or commission merchant from whom he borrows a lien on his inventory and that "this lien will be effective without the necessity of delivering the pledged inventory to a warehouse and will be obtainable by filing a notice of lien, which will be filed in the same manner as chattel mortgages and will afford the same publicity."

The American Bankers Association has taken no official position with respect to this legislation, according to Thomas B. Paton, assistant general counsel and secretary of the Committee on State Legislation. However, individual bankers have expressed the opinion that the legislation may afford banks an opportunity to make inventory loans in those cases where it is impracticable to file individual chattel mortgages or secure the loan under a warehouse arrangement.

Uniform Stock Transfer Drive Makes Progress

The recent drive by the A.B.A.'s Committee on State Legislation and the Association of Stock Exchange Firms for adoption of the uniform Stock Transfer Act in all states is making steady progress. This legislation, which makes certificates of stocks fully negotiable, is now the law in 44 states and the District of Columbia.

This statute was adopted this year in Delaware, Oklahoma, Nevada, South Carolina, Wyoming and the District of Columbia. It failed of passage in Kansas, Iowa and Vermont. Mississippi, the only remaining state where it has not been adopted or rejected, had no legislative session this year.

Burgess, Stonier Call on President Truman

A.B.A. President Burgess and Executive Manager Stonier called on President Truman early last month. They pledged the banks' cooperation in the Seventh War Loan.

1945 Supplement to "Paton's Digest" Out

The first quarterly loose leaf instalment of the 1945 Supplement of "Paton's Digest" has been sent to subscribers. This instalment was printed and ready for shipment in March, but there was an unexpected delay in delivery of the ring binders.

The Supplement will keep the three permanent volumes of "Paton's Digest" up to date. The first instalment covered the first 13 chapters and added a new section to the chapter on loans and investments. The new section contains material on contract termination loans and loans under the veterans' act.

New A.I.B. Books Coming

Complete revision of American Institute of Banking textbooks on consumer credit and home mortgage lending is nearing completion, reports National Educational Director William A. Irwin. Dr. Irwin hopes the books will be available for use next Fall.

New Promotion Series Is Prepared for Banks

A.B.A. Offers Seven Folders on Services

A new series of bank promotion pieces for direct mail use, including seven folders and a booklet advertising bank services, a War Bond register, a wallet-type envelope for use of war veterans in preserving their military discharge and other service record papers, and a poster urging War Bond buyers to hold their bonds until M-Day, has been completed by the Advertising Department of the American Bankers Association and is available to member banks.

The service folders are: "Mortgage Money," "Are You Making Full Use of Your Safe Deposit Box?," "Your Life Insurance—Good Security for Low-Cost Bank Credit," "Choose the Loan That Meets Your Needs," "Guide to Personal Borrowing," "Keep YOUR Home in Repair With the Help of a Bank Loan," and "Why Pay With CASH . . . When Checks Are So Much Better?"

The 24-page booklet entitled "Bank Services for You" is designed to acquaint bank customers with the ABC's of banking.

The serviceman's wallet is somewhat similar to the War Bond envelope prepared by the department early in the war, millions of copies of which have been distributed by the banks. The War Bond register is intended as a record so that in case bonds should be lost, stolen or destroyed, the holder would have a complete record of issue date, bond numbers with letters, maturity value, together with total value of bonds held. This folder, also gives some helpful hints on what to do in case bonds are lost, and a table showing the appreciation in bond values if the securities are held until maturity.

The War Bond "Hold 'Em Till 'M-Day'" poster is 21 x 41½", in black, yellow and white. Its message includes a large table showing "How War Bonds Grow When Held to Maturity."

The Next Best Thing to a Leave

*** is a LETTER

★ Home is heaven to men overseas. And a letter is a five-minute furlough at home. So however busy you are, find time to write that man in the service. When you write, remember these 3 rules: 1. Short, frequent letters are better than occasional long ones. 2. Write cheerful newsy letters about familiar places and faces. 3. Use V-Mail, because V-Mail gets there quicker, saves space for vital supplies that help speed Victory. Why not read this magazine later and write a V-Mail letter now?

HOW THE MARTIN MARS BOOSTS MORALE
Mighty morale-booster is the Martin Mars. Each trip she carries thousands of

letters . . . and if loaded only with V-Mail, she could carry the unbelievable total of 260,000,000 letters! Looking ahead, this great capacity of Mars-type planes will mean greater payloads, lowered costs, for overocean airlines. Already designed, commercial cargo and passenger versions of the Mars await only Victory to become reality. So tomorrow, for speed, safety, comfort and economy, plan to take trips or ship goods via Martin Mars!

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GLENN L. MARTIN-NEBRASKA COMPANY—OMAHA



1. At Fleet or Army Post Offices, V-Mail letters are photographed on strips of film then reduced to postage-stamp size.



3. Arriving at overseas bases, microfilm is enlarged, cut into individual letters, sealed in envelopes by machine.



2. One V-Mail pouch carries as many letters as 57 regular pouches. One ton of ordinary mail reduces to 14 pounds of V-Mail film.



4. V-Mail reaches them quickly . . . and saves cargo space for equipment they need. Get V-Mail paper at stationer's or post office.

Martin AIRCRAFT

Builders of Dependable



Aircraft Since 1909



V-MAIL VIA MARS! Making as many as 14 trips each month between California and Honolulu, the huge Martin Mars speeds mail, supplies and priority passengers to the Pacific. A number of 82-ton sisterships will soon join her to serve our lengthening battle lines.

40 New Members

Membership in the American Bankers Association continued to increase during April when 40 banks were added to the roster as a result of the activities of the Organization Committee. R. L. Dominick, chairman of the committee, is president of the Traders Gate City National Bank, Kansas City, Mo.

A.B.A. Studies Savings Trends in 38 States

Revival of interest in savings is becoming increasingly noticeable among banks, according to J. R. Dunkerley, secretary of the A.B.A.'s Savings Division.

"There is a decided contrast in inquiries being received today over those received early in the war," Mr. Dunkerley said. "Whereas a few years ago savings bankers were deeply concerned with how to reduce their interest rates, today the majority of our inquiries are from bankers who want to know what is the best method of increasing interest on savings deposits."

The many changes in banking policy and procedure which have grown out of the total war economy, the imminent need for readjustment by the banks to a partial reconversion, and the upsurge of interest in savings deposits are providing a three-fold incentive to the Savings Division for the survey which it has recently undertaken in 38 states to determine trends in the savings field.

The questionnaire being used in this study is designed to get up to date information from savings bankers on a number of timely questions, including: (1) Volume of savings; (2) interest rates; (3) responsibility of banks for promotion of savings deposits; (4) savings account activity; (5) changes favored in connection with savings accounts; (6) methods being used to encourage savings; (7) effect of policy limiting or discouraging savings deposits; (8) motives that lead people to save; (9) possibility of savings withdrawals at war's end; (10) effect of increase in Social Security on savings, etc.

Three Association Membership Workers



Regional Vice-president Frank R. McGeoy, Jr., Mississippi



State Vice-president Ben L. Ross, Arkansas



State Vice-president T. J. O'Brien, Texas

A.I.B. Has Study Groups in Hawaii

For the first time in its 46 years, the American Institute of Banking will be represented by organized study groups in Hawaii.

Two study groups of employees of the Bank of Hawaii have been organized, one with 29 members to meet at Honolulu, and one of 10 students at Pearl Harbor. W. W. King, cashier of the Bank of Hawaii, will be chairman of both groups, which will be taught by T. E. Merriam at Honolulu and David L. Austin Jr. at Pearl Harbor respectively.

Mr. King, in a letter to the national A.I.B. headquarters at New York, ordered texts and complete material covering the course in "The Fundamentals of Banking."

Supplement to Survey of Women in Banking

The Research Committee of the Association of Bank Women has completed a 1944 supplement to "Women in Banking," a previously published survey of the progress of women in American banking. The material was supplied by members of the association and is, as far as possible, factual.

"It is our hope," says the foreword, "that this publication will encourage women in banking, and form a valuable guide to vocational programs during and after the present war."

"Women in banking, either temporarily or permanently employed, should be highly commended for the cooperative and patriotic spirit they are so whole-heartedly displaying in the work required of them by the banks."

Rathje to Speak in Radio Salute to Banks

Frank C. Rathje, vice-president of the American Bankers Association and president of the Chicago City Bank and Trust Co., will be guest speaker June 10 on a Mutual Network program saluting the nation's banks.

The broadcast is one of the "Your America" series, sponsored by the Union Pacific Railroad, paying tribute to business and industry.

Mr. Rathje will speak from Omaha, Neb., where the program originates each week.

The time is 4 to 4:30 P.M. (EWT). One hundred twenty-three Mutual stations are in the network.

A.B.A. Consumer Credit Committee Has Chicago Meeting

At a meeting of the A.B.A. Committee on Consumer Credit in Chicago recently discussions largely concerned post-war lending possibilities in the field of automobile financing both via dealer and direct to the borrower, home appliances and airplane financing. The Committee also gave considerable thought to the practicability of a nationwide personal loan collection system and to the more effective ways of using Federal Reserve Board consumer credit statistics.

G I Manual

A "Digest of Lending Provisions, Servicemen's Readjustment Act of 1944 is being prepared by the Committee on Service for War Veterans. The manual will contain considerable general data.

For Trustmen

A survey is being made by the Trust Division's Committee on Employee Trusts of the administrative and operating procedure of employee pension and profit-sharing trusts. In this connection, the Division has asked 193 trust institutions having this type of trust business on their books for assistance in making this study.

Banks with small, inactive, non-profitable trust departments and banks considering opening trust departments will find the Gilbert T. Stephenson study, "Should My Bank Have a Trust Department?," of interest in arriving at a decision. This study appeared in the Trust Division's April *Bulletin* and is available in reprinted form.

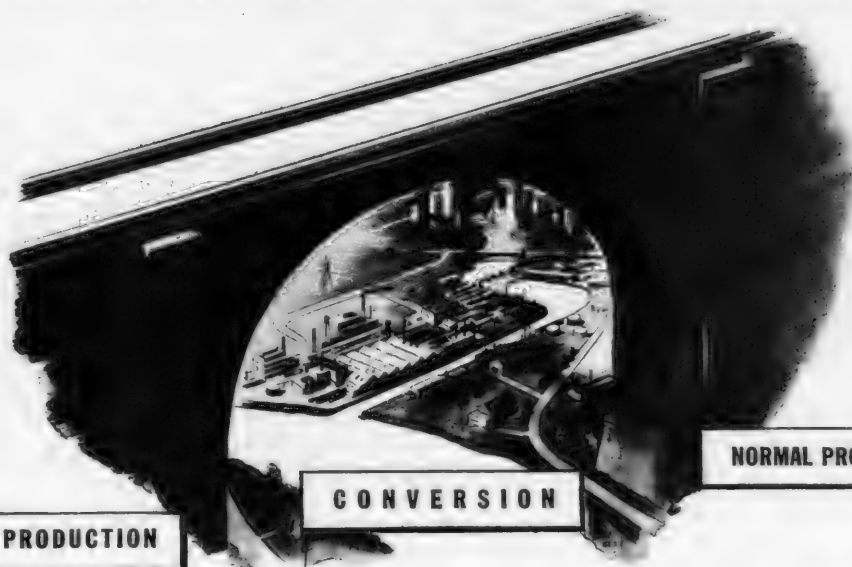
The results of a survey on how to obtain the cooperation of bank directors and commercial banking officers in developing trust business were announced by the Trust Division's Committee on Trust Information in the Division's May *Bulletin*. This Committee is also collecting human interest stories in connection with trust work.

The Trust Division is working on a study of legislation affecting trust work passed during the 1944-45 legislative sessions in 44 states.

War Bond Sales Book

The Treasury Department's "War Bond Sales Manual" for the country bank use in selling bonds to farm families is being made available to banks by State Association Section of the American Bankers Association.

MAKE THIS PLANT PART OF YOUR PRODUCTION LINE I



WAR PRODUCTION

CONVERSION

NORMAL PRODUCTION

BRIDGING THE GAP to Victory-Era Production



This plant occupies 23 acres, providing 315,000 sq. ft. of manufacturing floor space, two spur tracks, loading dock and receiving platform, capable of holding six cars on loading platform, two under cover at receiving platform and five on the outside. Martins Ferry Division of Blaw-Knox Company is located at Martins Ferry, directly across the Ohio River from Wheeling, W. Va.

YOU know best how long it will take you to get back into peacetime production after the Government gives you the green light. You also know that if you don't get into the field early with goods, your competitor may get there first.

Let us bridge your reconversion gap by taking over your manufacturing problem, in whole or part. If yours is a quantity-production product—close tolerance or not—we can make it. If necessary, we will tool up for your product.

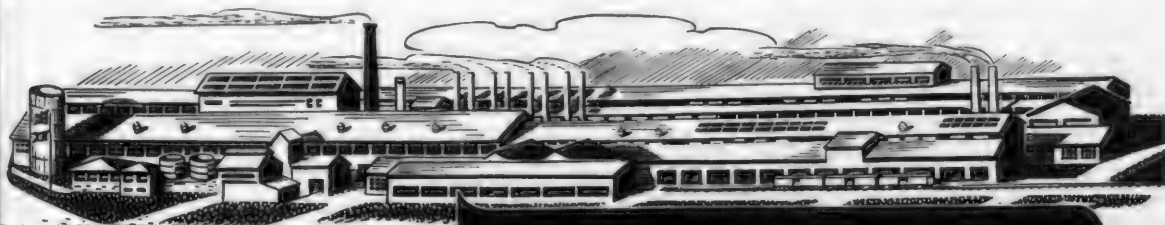
Frankly—unlike the other nine great plants of the Blaw-Knox organization—our Martins Ferry plant is a "war baby" with no established market to return to. But we do want to keep our splendid plant going, keep our capable engineer-

ing group intact, give continued work to our skilled and loyal workers and otherwise utilize the valuable experience and equipment that went into the making of the "Fightin' Forties" (40-mm AA) for the Navy. And if we can make them we can make anything!

This may be important to you: Martins Ferry provides the additional manufacturing facilities you need without any capital investment. You can put more emphasis upon selling as you shift your manufacturing responsibilities to others.

Let one of our engineers discuss this matter with you...NOW. This may be the solution of your most immediate problem.

To help win the war is our first objective. Until that is assured, ordnance material is the order of the day. Do you need help? If so, get in touch with us at once!



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METHODS *and* IDEAS

JOHN J. McCANN

Correspondent Meetings

THE National City Bank of Cleveland recently concluded a series of nine meetings with representatives of its correspondent banks in nine cities in Ohio and Pennsylvania. The purpose was to bring about a closer relationship between the bank and its correspondents. The meetings were well attended, averaging about 50 persons. It was the desire of the National City Bank to bring its specialized knowledge on a number of phases of banking to its correspondents so that they would be better enabled to serve their customers. Those present were also asked to speak.

The reason for holding separate meetings in different localities was to save time and travel and to bring about that closer acquaintanceship and relationship which is always so vital to full cooperation. The spirit with which these meetings were received by those in attendance is typified by a remark made by a banker at one of the meetings. He said: "This is concrete evidence of the fact that a big city bank is willing to make available to its correspondent banks the techniques and information which these banks have no other adequate way of obtaining. We are much pleased with the idea and trust that the policy will be continued."

Group of correspondent bankers in session at Cleveland, Ohio, on invitation of The National City Bank of Cleveland



The first meeting was in Erie, Pennsylvania, early in March, and there were subsequent gatherings in Marion, Mansfield, Lima, Steubenville, Canton, Youngstown, and Akron with the final meeting in Cleveland late in May. Practically the same program was followed at each meeting. Sidney B. Congdon, president of the bank, presided at each. Francis H. Beam, vice-president, talked on the value of banking cooperation generally and made certain observations on the handling of G. I. loans. Robert Blyth, vice-president, presented vital information concerning government bonds and the investment portfolio. Paul R. Geisinger, manager of National City's newly organized con-

sumer credit department, led discussions in each group on phases of the policy and operation of such departments.

"It should be made perfectly clear to the veterans and to the public," he said, "that loans made under the GI act are not bonuses, but are debts which must be repaid."

Other officers of the bank present at these meetings were: George Buffington, executive vice-president; Ralph E. Bauman, Fred A. Hart and E. C. Stumm, vice-presidents; and Clarence Kitzerow, assistant cashier.

It is the opinion of management of The National City Bank of Cleveland that this series of meetings has been very much worth while, that they have accomplished their purpose and that the relationship between the National City and its correspondent banks is stronger today than ever before.

U. S. S. Gurke

The bank women of Seattle are out again in force with a new goal for the Seventh War Loan drive. This time it's an \$8 million destroyer—the *U. S. S. Gurke*, named in honor of Congressional Medal winner (posthumously) Pfc. Henry Gurke, USMCR, of Neche, North Dakota, who fell in a heroic stand at Bougainville, November 9, 1943.

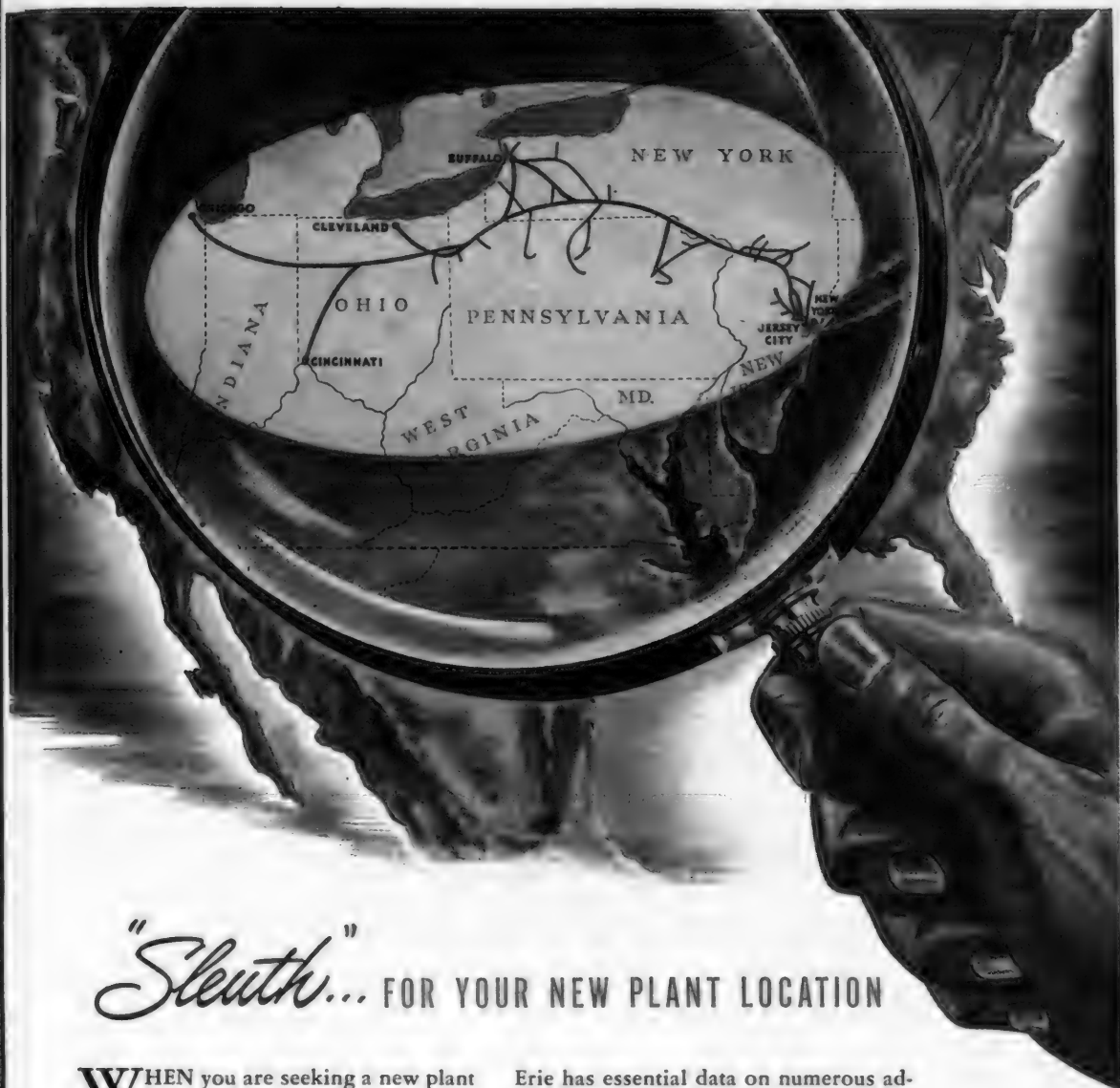
By the time this sleek greyhound of the seas is ready to slip down the ways of a Seattle shipyard, the ladies will have their goal in War Bonds signed, sealed and delivered. For they have, as an organization, one of the country's top sales records. They purchased (in bonds sold) a \$4 million hospital ship (the *U. S. S. Marigold*) for the Army in the fifth drive and a squadron of B-29's

(CONTINUED ON PAGE 75)

Helen Timmons
Bridgeton National Bank,
Bridgeton, N. J.



This is the prize-winning entry in BANKING's April cartoon title contest. Miss Timmons suggested several titles, submitting them in this original way. We picked the first one. (See page 12)



"Sleuth..." FOR YOUR NEW PLANT LOCATION

WHEN you are seeking a new plant location, you usually don't want to advertise your plans. Yet, there's much information you need before you can make a decision.

Here is where Erie's Industrial Development Department can help you. Its services are yours and your identity and the information you seek will be confidential.

Erie has essential data on numerous advantageous industrial locations throughout the "Erie Area"—The Heart of Industrial America—which embraces the six states shown in the map above.

For more complete information write George F. Weston, Industrial Commissioner, Erie Railroad, Midland Building, Cleveland 15, Ohio.

Erie Railroad

ONE OF AMERICA'S RAILROADS—ALL UNITED FOR VICTORY





*This is
Southern California*

Serving You in Southern California
is the

SECURITY-FIRST NATIONAL BANK

of Los Angeles

with resources of over \$1,400,000,000
and 116 offices and branches from Central
California to the Mexican border.

MEMBER FEDERAL RESERVE SYSTEM
MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

Head Office:

Sixth and Spring Streets • Los Angeles 14, California

Founded in 1875

METHODS—Continued

for the Air Corps in the sixth, worth over \$8 million.

The women propose to buy, with prize money offered by their banks, the long list of equipment much in demand by destroyer crews, which is not furnished by the Government. They intend to make the *Gurke* the best equipped ship in the Navy.

When the job is done, the *Gurke* will bear a plaque crediting this enterprising group for its effort. K. Winslow, jr., executive vice-president, SEATTLE TRUST AND SAVINGS BANK, is chairman, and Marguerite Patton of the SEATTLE FIRST NATIONAL BANK is vice-chairman.

Recordings

To many a GI overseas, a small plastic disc, sent with the compliments of the FIRST NATIONAL BANK OF WISCONSIN RAPIDS, Wisconsin, provides a vital link with home. The discs are voice recordings of servicemen's wives, whose brief four-minute message is the next best thing to a furlough.

Here's how the plan works: The bank mailed a newspaper notice to wives of local servicemen inviting their use of the service. Those interested received a letter of introduction to the local radio station, which arranged an appointment for the recording. Each recording closes with this comment: "You will be interested to know that the FIRST NATIONAL BANK of Wisconsin Rapids has made it possible for me to send you this message." When completed, the record is sealed in a special envelope to prevent breakage and given to the wife for mailing.

While the bank has had numerous requests from mothers and other relatives to participate in the plan, top priority is given to wives. "We feel that these young married people will comprise a substantial segment of the early

General Eisenhower makes the "V" for Victory sign with pens used for the signing of Germany's unconditional surrender



PRESS ASSOCIATION

A "Forward to Victory" Seventh War Loan exhibit at the main office of the National City Bank of New York contains more than 2,000 mementos contributed by members of the armed forces on leave from the bank. Included are Ernie Pyle's helmet and a discarded Paris street sign—"Adolph Hitler Strasse"



Financing International Trade

For eighty years The First National Bank of Chicago has financed foreign business for importers and exporters. The many correspondents of the bank in countries with which this country now has business facilitate the financing of international trade. The Foreign Banking Department has the most recent available data on quotas, restrictions, and regulations of foreign governments. Complete service is available to those who contemplate any phase of foreign trade.

We gladly cooperate with other banks in handling transactions with countries of this hemisphere and with other parts of the world.

FOREIGN BANKING DEPARTMENT

The First National Bank of Chicago

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

post-war groups which will require bank assistance," says W. J. Taylor, president.

Correspondents

A new trend in correspondent relationships holds promise for helping smaller institutions meet their post-war problems. We refer to such round table conferences as those held recently by the STATE-PLANTERS BANK AND TRUST COMPANY of Richmond, Virginia, for correspondent banks in the Virginias and Carolinas. This series of three meetings was devoted to a discussion of veterans legislation and current bank investment policies.

Many larger institutions over the country are playing host to area correspondents at similar sessions on consumer credit plans and procedures, post-war small business credit operations, reconversion loans, and other subjects. Frequently, the host bank provides guest experts to lead discussion groups. It's a healthy atmosphere in which to air local problems.

Service Letters

Here are two good ideas borrowed from the DENVER NATIONAL BANK's house organ, the *Teller*. Every issue of this mimeographed bulletin, edited especially for DNB'ers in service, carries

a two-page sports final—a round-up of scores on the seasonal sports, and comments on the outstanding stars. This section is edited by two staff fans who make the rounds and watch the papers for news. Major high school and inter-collegiate as well as professional games are covered in every local field. It's great stuff to read a thousand miles away from home.

The other idea is a self-addressed "letter-envelope," furnished in quantities to men in the service, to encourage a continuous flow of correspondence to the *Teller*. This device is a regular 8½ x 11 inch sheet of stationery, die-cut and gummed in envelope style at the top. When folded and the sides tucked in at the ruled margins, it becomes a regular monarch-size envelope. Mailed free, of course. Simplicity of the idea appeals to the boys and brings back many more letters because of it.

Tire Tie-up

The handling of tire certificates through a bank—the first arrangement of its kind in the rubber industry—has been put into operation by the Pharis Tire and Rubber Company and the PARK NATIONAL BANK of Newark, Ohio.

Instead of Pharis jobbers sending their free tire ration certificates directly to the company, they are now sent to the bank, which has opened a branch in the Pharis plant exclusively for handling the certificates.

A formal "safekeeping agreement" is signed between the jobbers and the bank, upon receipt of which the bank immediately opens a certificate account in the jobber's name, crediting the tire "ration currency" and charging off all certificates withdrawn to cover shipments of tires.

The bank issues duplicate deposit slips covering certificates received and provides a monthly statement listing deposits, withdrawals, and the certificates.

(CONTINUED ON PAGE 78)

LOOK AT HOUSTON!

Oil Capital of the World



• Oil is important to Houston . . . and Houston is important to the petroleum industry. Aptly called "Oil Capital of the World", Houston is surrounded by extensive oil fields, huge refineries and great new synthetic rubber plants. Major concentration point for 40 percent of the nation's petroleum, leading producer of oil field tools and equipment, and the nation's third largest port . . . Houston is headquarters for many independent and major oil company operations and a command post for the gigantic world-wide petroleum industry.

Just as it has a vital part in the fighting and winning of the war, petroleum will also play a tremendous part in the making of a greater America after the war. Thus Houston

is assured of continued tremendous petroleum industry activity for years to come.

Remember, however, that the petroleum industry is only one of the many important industries which have made Houston the South's largest city and contribute to her continued rapid growth.

★ ★ ★

The Second National Bank of Houston is proud to have a part in the industrial progress and growth of this great city. Banks and finance officers are invited to correspond with this bank for detailed information regarding any of the major lines of business in the Houston area. We also invite inquiries of banks which may be seeking a Houston correspondent.



German Col. Gen. Gustav Jodl, flanked by two other Germans, signs unconditional surrender document at Reims, France. Standing is Maj. Gen. Kenneth Strong, Chief of G-2, SHAEF





THIS ELECTRICAL YARDSTICK

DETERMINES HOW LONG YOUR LOAN WILL BE GOOD

25 YEARS

20 YEARS

15 YEARS

10 YEARS

5 YEARS



To avoid early obsolescence in homes you finance, they should have wiring that provides for a rapidly expanding number of electrical servants.

Just see how the list is growing! Greater See-ability through better lighting... home freezers... dishwashers... automatic clothes washers... electric clothes dryers... Precipitron air cleaners... air-conditioners... Sterilamps... television. These are some of the developments in electrical equipment that will soon put the stamp of obsolescence on houses not wired for them. Tomorrow the list will be longer.

Be sure the houses you finance meet tomorrow's electrical yardstick: (1) Sufficient circuits and outlets; (2) wire of ample size; (3) modern circuit protection and (4) wiring devices and workmanship of highest quality.

For literature, or other information, contact your nearest Westinghouse distributor or district office or write to the Westinghouse Electric Corporation, P. O. Box 1017, Pittsburgh 30, Pennsylvania.

J-91526

This 60-page book, *Electrical Living in 194X*, (Professional Edition)—illustrates how homes should be wired. The Home Wiring Manual summarizes wiring specifications. A free copy of these sent on request. For technical information, the new Home Wiring Handbook provides the most comprehensive information ever produced. Price: \$1.00 per copy.



Westinghouse
PLANTS IN 25 CITIES... OFFICES EVERYWHERE

BETTER HOMES DEPARTMENT



Three war heroes who helped plant the American flag on Mt. Suribachi, Iwo Jima, took part in Seventh War Loan Bond Rally at the Bank of Manhattan, New York. L. to r., Marine Pfc. Rene Gagnon, PhM/2 John H. Bradley, and Marine Pfc. Ira Hayes, an American Indian

METHODS—Continued

cate balance on hand. The entire service is without charge to the tire jobber. Certificates in the bank remain in the name of the jobber and can be used only at his direction.

Vet Loans

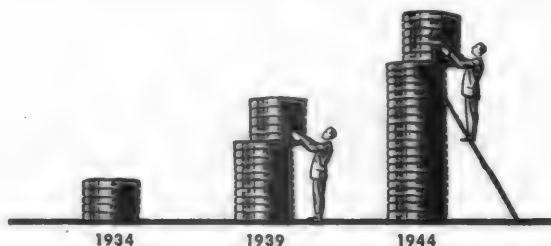
One of the most interesting and informative booklets on GI loans was recently issued by the ANGLO CALIFORNIA NATIONAL BANK of Los Angeles. Prepared originally as a talk for members of the staff by L. L. D. Stark, vice-president, the material has been edited in everyday language without losing an accurate presentation of the technical aspects of the law. The subject matter is confined to the home financing phase of the Bill of Rights, broken down in two parts: (1) a brief study of the historical background to veteran's legislations; and (2) a discussion of important features of the act itself and the supporting regulations.

Shippers' Directory

Several inquiries from banks requesting facts about warehouses in different parts of the country have been received by "D and W," published by Distribution and Warehousing Publications, Inc., New York. The editor informs BANKING that a list of public warehouses in the United States and Canada, based on notarized statements, is to be found each year in the January issue of "D and W." Called the Annual Shippers' Directory, this reference material is available to regular subscribers.

Statements

Something new in statement presentation was devised by the COLONIAL (CONTINUED ON PAGE 80)



Faster Service is Building our Transit Department

WITHIN THE LAST DECADE our deposits carried for other banks have increased from \$13,000,000 to \$73,000,000. Volume of checks handled naturally has increased in a corresponding percentage.

The reason is to be found in the complete, concentrated and efficient transit department operated practically twenty-four hours a day by this bank. Through this flexible and fast-working organization, our bank serves the routine and special needs of more than 300 correspondents.

We welcome inquiries about increasing collection efficiency through concentration, by making this bank your correspondent in Cleveland.

THE NATIONAL CITY BANK OF CLEVELAND

Euclid at East Sixth



and in Terminal Tower

1845—ONE HUNDREDTH YEAR—1945

Member FDIC

Wall Street on pre-V-E Day



CUSHING
BANKING

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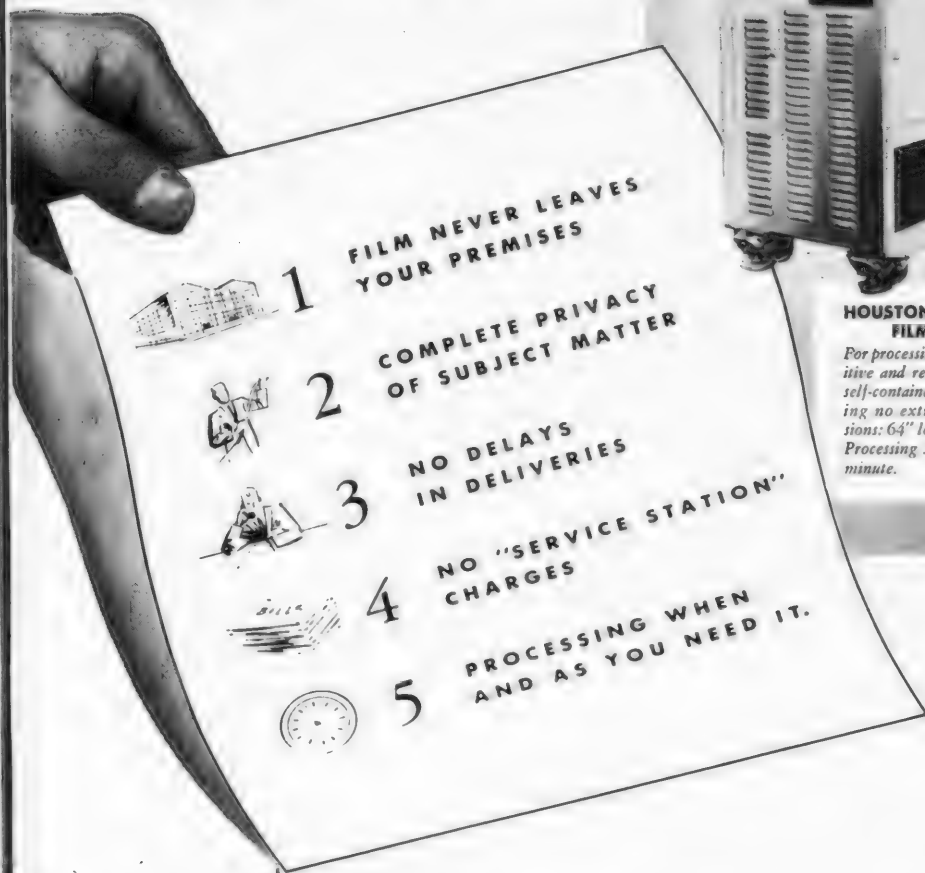
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LONIAL

COATING
INKING

Houston Model 11 Film Processor

Brings You These Advantages

Processing Your Own Microfilm



HOUSTON'S NEW MODEL 11 FILM PROCESSOR.

For processing 16 mm. negative, positive and reversal film. A complete self-contained, portable unit requiring no extra equipment. Dimensions: 64" long, 34" high, 24" wide. Processing speeds up to 20 feet per minute.

Houston's New Model 11 Film Processor not only saves money for the bank, in time, in machines, in supplies and storage space but it is especially welcome because microfilm can be processed *on the spot* when and as needed. No more delays in transit, no more worry over possible damage to valuable film, no more "service station" charges. Instead,

complete processing with minimum delay and expense, plus accuracy, efficiency and privacy.

From camera to screen, Houston's New Model 11 Film Processor is in complete charge and every step is under automatic, scientific control.

Banks and banking institutions will recognize the increased efficiency and savings afforded with the addition of Houston's New Model 11 Film Processor in their microfilm work.

Write for illustrated bulletin and prices.

THE HOUSTON CORPORATION
11801 W. OLYMPIC BLVD. • LOS ANGELES 25, CALIF.





Oklahoma National Bank's staff kitchen in operation

Understanding Institutional Requirements

We offer to institutions the results of years of experience in helping to meet the special requirements of this type of investor.

Because of our nationwide facilities and knowledge of comparable security values and markets, our Institutional Department is utilized by many organizations in all parts of the country.

We cordially invite you to take advantage of these services.

MERRILL LYNCH, PIERCE, FENNER & BEANE

*Underwriters and Distributors of Investment Securities
Brokers in Securities and Commodities*

70 PINE STREET

NEW YORK 5, N. Y.

Offices in 87 Cities

METHODS—Continued

TRUST COMPANY of New York City for its last call: Miniatures, folded to the size of a calling card, and mailed in an envelope to match. This unusual form gets attention.

Even the Kitchen Sink

In January, the OKLAHOMA NATIONAL BANK, Oklahoma City, took over an adjoining building which housed the home service department of the Oklahoma Gas and Electric Company, and fell heir to a modern electric kitchen, complete with stove, dishwasher, refrigerator, dishes, cooking utensils and silverware. Here was a staff kitchen made to order and ready to work. And work it does!

Here's the system: All 33 employees (28 of whom are girls) serve a term of K.P. duty, two girls being appointed each week. They keep the kitchen in tip-top shape and the dishes put up at the end of the day. Each person, however, washes his or her own crockery in the automatic washer—and that's no chore, even for the executives.

Some 18 of the girls prepare their luncheon in the staff kitchen every day, two or three getting the meals for the group on a rotating basis.

Cartoons

On the theory that war-busy people in the Paterson, New Jersey, area prefer their advertising brief and to the point—with cartoon pictures and captions that tell the story at a glance—the PATERSON SAVINGS INSTITUTION chose this technique for its 1945 advertising campaign. The bank's officers believe that people—especially under stress of war conditions—appreciate the contrast of a light and humorous approach to their everyday banking problems.

The campaign emphasized savings accounts, popular checking accounts and mortgage loans, with an occasional advertisement on timely subjects, such as bank money orders to pay income taxes. Bus cards supplement the newspaper campaign and are carried out in the same lively vein.

(CONTINUED ON PAGE 82)

Billboard display of the Citizens National Trust and Savings Bank, Los Angeles



BRIGHTEN THE OUTLOOK WITH

Aluminum Windows



U. S. Naval Hospital, Philadelphia, Pennsylvania
Architects: Walter T. Karcher and Livingston Smith
Aluminum spandrels, sills, main entrance, interior trim pilasters, and miscellaneous uses in a sunroom.

Hospital managers appreciate aluminum windows. They find that these windows are easier to open and close throughout their long life. Also that frames, sash and sills are attractive, and easy to keep looking that way. The narrow sections provide greater glass areas.

Men responsible for upkeep find that aluminum windows save money.

These windows never need painting; no rusting or rotting to give trouble. There's no warping or swelling to cause sticking.

To satisfy yourself on all these points, inspect some aluminum windows. Write for a list of nearby installations. ALUMINUM COMPANY OF AMERICA, 1821 Gulf Building, Pittsburgh 19, Pennsylvania.

ALCOA ALUMINUM



METHODS—Continued

Although in its presentation the campaign is humorous, it deals with basic problems such as overspending, bill-paying "cues" and the all-important subject of home ownership. Customers have commented very favorably on the new PSI series.

Fidelions

Gone forever, for Fidelions at least, is the heavy worded tome on how to behave as a bank employee, as well as the Golden Rules of "do's, don't's and mustn't's," which we've always suspected made the new employee feel he had joined a cloister instead of a business organization.

Fidelions, we hasten to add, is what you'd perhaps call the inter-office moniker assumed by employees of the FIDELITY UNION TRUST COMPANY of Newark, New Jersey. This bank has recently issued a little booklet which serves as a "welcome mat" for old and new employees, designed to make the newcomers feel at home faster, and to be of aid to both old and new in their jobs. Straight off, it gets at the important facts about salaries, vacations, medical benefits, insurance . . . special banking services and privileges, wedding gifts, visits from the stork, surety bonds, and pension plan—all things of more vital interest to the worker than a recital of institutional history. Next, the employee is told about public relations,

with particular attention to telephone technique. Faults are caricatured by "Absent" Abner, "Mumbling" Merwin, "Double-talk" Dave and "Timid" Tillie. Next, the booklet explains what a bank is and does in simple, concise terms.

Then it gives a handy glossary of common banking terms and verbiage, to set the employee right, and finally there is a reading guide listing recommended books and magazine articles to be found in the public library.

Perhaps the most impressive feature of this streamlined employee manual is its matter-of-fact presentation of essential information, and the note of good humor expressed in cartoons.

From Scratch

A broadside, issued by the MERCANTILE NATIONAL BANK of Dallas, has been passed around to neighboring banks with the thought that it might contain an idea for local adaptation. And it does, we believe, for it very effectively capitalizes on healthy growth of deposits. A splashing headline announces—"By helping folks we've grown from 'scratch' to the 125th largest among the 14,500 banks of the nation."

The text contains an invitation, addressed to the local citizenry, to use the many services and facilities designed for business and industry and for the individual. Strong emphasis is given the types of loans available, which in a word covers the whole scope of financial needs. On the back page is the current condensed statement, and a list of the officers and directors, who are listed under the heading—"Just Folks."

Exit the Passbook

The checking account passbook is a thing of the past at the LAND TITLE BANK & TRUST COMPANY of Philadelphia. Saving time and manpower, the bank has substituted printed deposit receipts, made possible by the latest tellers machines, which print a registered deposit receipt and create a duplicate entry on the bank's records simultaneously.

Pocket folders are issued in place of passbooks for accumulating receipts; statements and canceled checks are issued monthly in the usual manner. The new system adds greater privacy to the transaction. Receipts carry only a transaction number, no name or address or other identification. There's no possibility of having one's business record examined by unauthorized or curious persons as is the case with the conventional passbook.



Since the first hardy American colonists cut a clearing in the wilderness and planted their first crops, farming has been the foundation for all our progress. We've come a long way since those days . . . The advent of power farm machinery has made farming as modern as the airplane . . . Where oxen once pulled hand-hewn plows in rough clearings, today's powerful tractors draw modern farm implements over smooth rolling acres that stretch as far as the eye can see from coast to coast. Power machines have stepped up the tempo of American agriculture to maintain its position as a leading industry of the nation.

Machines built by Minneapolis-Moline have contributed much to this parade of progress. MM machinery has enabled farmers to till their land and harvest their crops speedily and economically. During this wartime crisis MM machines have helped farmers produce an unprecedented quantity of foodstuffs. Although farmers have been unable to get all the MM machines needed, as victory draws nearer more and more modern machines will be available. Bankers of America, working with the Farm Machinery Dealers, can help farmers obtain the farm machinery that will help keep agriculture the number one industry of the nation that is "tops" industrially, too. KEEP BUYING BONDS!





*If you're like him
you won't be interested
in this:*

BUT...IF YOU AREN'T, READ ON!

Mortal man knows he must die,
but WHEN is uncertain.

His buildings can burn,
but he doesn't know WHEN it may happen.

Accidents are bound to occur,
but he doesn't know WHEN or WHERE.

Cars will crash, glass will break, objects will fall, people will be hurt or killed, homes and businesses will be burglarized and robbed, employees will be caught stealing and forgers may use his name, but WHEN or WHERE he can't foretell.

As a responsible citizen you need the services of a good insurance agent or broker to protect you, your family and your business against loss from the many hazards that befall mortal man—**UNEXPECTEDLY.**

If you have any doubt that either you or your business is not properly protected by insurance, call in our agent or your broker and cease needless worrying.

Dependable

AMERICAN SURETY COMPANY

100 BROADWAY • NEW YORK



As America

NEW YORK CASUALTY COMPANY

AGENTS AND BROKERS EVERYWHERE

Bank Wins Claims Act Case

THE United States Court of Appeals for the Fifth Circuit has recently held that a bank, holding as security for a loan to a government contractor an assignment made under the Assignment of Claims Act of 1940 of monies due under a contract with the Government, acquired rights superior to the rights of a surety company on the contractor's bond. This decision was rendered on April 23, 1945 in the case of *Coconut Grove (Florida) Exchange Bank vs. New Amsterdam Casualty Company*

on the appeal of the bank from a decision of the United States District Court for the Southern District of Florida in favor of the surety company.

Two questions were presented by the bank's appeal, viz: (1) Whether the bank is protected under the Assignment of Claims Act of 1940; and (2) whether the surety company, irrespective of the effect of such act, was not required, in order to state and make out a case for equitable subrogation, to allege and prove that the funds advanced by the

bank to the contractor were diverted from purposes essential to the performance of the contract.

Briefly, the facts were that the contractor defaulted before completion of the contract and the surety company thereupon, pursuant to its obligation under the bond, completed performance and paid material men and laborers. It then brought suit for exoneration.

When the suit was started, \$80,527.85 remained due and unpaid by the Government under the contract. The surety company had expended an amount substantially in excess of this sum. There was owing the bank the sum of \$6,628.31 on its loans to the contractor, which were alleged to have been used by the contractor to meet payrolls incurred in performance of the contract. Subsequently the Government paid the bank \$12,220.29 pursuant to the assignments made by the contractor and accepted by the United States. The bank applied a portion of this amount to pay the balance due on its loan and paid the residue into the registry of the court.

The sum paid the bank appears to have represented a progress payment since the court pointed out that it "did not invade the 10 per cent retained percentage under the contract, and we are, therefore, not concerned here with retained percentages."

With respect to the first question the Circuit Court held that the Assignment of Claims Act of 1940, "while being primarily for the protection of the United States and not for the regulation of the equities of the claimants, as between themselves, nevertheless, did incidentally affect the rights between the assignee of contractor and the surety so as to make assignments to a bank from a contractor for the purposes of the contract valid and the possession by the assignee bank of proceeds of the contract lawful. The \$12,220.29 came into the possession of the bank lawfully by virtue of the only valid assignment that was, or could have been, made under the statute, and anyone seeking to recover any portion of such money had the usual burden of proof."

With respect to the second question, the Circuit Court held that "to the extent that the money lent by the bank to the contractor was used to pay subcontractors or others furnishing labor and materials used in the performance of the contract, the surety was not injured, and in the absence of such allegations and proof by the surety company of such a wrongful diversion of funds, it failed to sustain the equitable right which it claims for the recovery of the monies repaid to the bank."



St. Louis...and the Shoe Industry

The manufacture and distribution of boots and shoes is one of the great industries of the United States, and St. Louis has long been a leader in this field... ranking first in shoe manufacturing, first as a wholesaling center and the home of the largest shoe company in the world.

As have others, this industry has recognized and been aided by the strategic, central location of St.

Louis...close to raw materials and with unexcelled facilities for economical, nation-wide distribution.

Mercantile-Commerce is proud of its long association with the shoe industry...one of the many examples of the way this bank has been able to cooperate constructively towards the growth of business in the widely diversified industrial area of St. Louis and the Southwest.



MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

HOW TO PROTECT THE *Earning Power* OF A FARM

★ During the flush of high wartime income, an unnoticed gully has started to undermine the future earning power of our farms.

Like gradual erosion, *depreciation* is eating into capital assets — fertility, buildings, livestock herds, equipment and fences—items difficult to replace now because of wartime shortages. High cash balances, yes, but at the expense of accumulated depreciation.

A soil conservation engineer knows how to stop a gully. Build a check dam.

That's how WAR BONDS can serve the farmer now. A reservoir of WAR BONDS should be available to replace these depreciated *income-producing* items as the farmers' first purchases after the war.

Fertility, buildings, livestock herds, equipment and fences represent *earning power* on any farm.

WAR BONDS purchased now will provide cash for their replacement when they are again available.



ALLIS-CHALMERS
TRACTOR DIVISION • MILWAUKEE 1, U. S. A.



Heard Along Main Street

Drafted for Red Cross Job Abroad

FREDERICK A. CARROLL, vice-president of The National Shawmut Bank of Boston, has been granted a leave of absence to become American Red Cross Commissioner for Great Britain and Western Europe.

The appointment of Mr. CARROLL as successor to HARVEY D. GIBSON, New York banker, was announced by Basil O'Connor, chairman of the American Red Cross, who said:

"Mr. GIBSON has remained at his post at considerable sacrifice during recent months. His record of accomplishment is well known to all Allied Nations as well as to the armed forces of the United States.



Mr. Carroll

"In the appointment of Mr. CARROLL, however, the American Red Cross is fortunate in finding a very worthy and able successor for this important overseas assignment. I am confident he will carry out the program admirably and in keeping with Red Cross tradition."

For many years, Mr. CARROLL has been prominent in banking and legal circles. He has been vice-president and trust officer in charge of the trust, transfer and real estate departments of the Shawmut Bank since 1924, and for 10 years has been counsel for the bank. He is president of the Trust Division, and a member of the Executive Council and Administrative Committee, of the American Bankers Association.

He is a director of the United Mutual Fire Insurance Company, Devonshire

Boston Job Relations institute—*l. to r.*, Wilbert Cameron, Concord, N. H.; R. B. Harvey, Charles Stratton, W. G. Barry, instructor, Boston; W. F. Peters, Brookline; R. F. Heislein and Herbert R. Corey, Boston. Class members not in picture: E. F. Clark, Portland; G. E. Levine, Providence; and L. J. Scott, Winchester



Financial Service Corporation and the Boston Better Business Bureau, and a trustee of the Home Savings Bank, Boston. He is a member of the Committee on Effect of Federal Legislation and Regulations of Real Property and of the Committee on Trust and Probate Decisions, American Bar Association.

Mr. GIBSON is president of the Manufacturers Trust Company, New York.

"A.P." Retires

A. P. GIANNINI retired as chairman of the board of the Bank of America National Trust and Savings Association at the directors' meeting May 8. The directors paid tribute to Mr. GIANNINI as founder and guiding genius of the institution since its organization in 1904, and conferred upon him the lifetime title of "founder-chairman."

Mr. GIANNINI, who celebrated his 75th birthday on May 6, has said he hoped to travel widely as soon as world conditions permit. However, he will continue some measure of advisory activity at the bank when he returns.

He has formally announced that he will establish a non-profit corporation to be known as the Bank of America Giannini Foundation to provide specialized technical training for worthy bank personnel, and to assist research in medicine and human betterment.

The board of directors unanimously named A. J. GOCK as the new chairman. L. M. GIANNINI, son of A. P. GIANNINI, continues as president and chairman of

the bank's general executive committee.

Aid Negro College Fund

Several banking and financial leaders are actively participating in the United Negro College Fund campaign which is seeking \$1,550,000 for 32 accredited Negro colleges, under the national chairmanship of Thomas A. Morgan, president of The Sperry Corporation, New York.

WINTHROP W. ALDRICH, chairman of the board, Chase National Bank of New York is serving as national treasurer and FRANK N. TOTTON, second vice-president of the Chase, is New York City chairman.

NATHAN ADAMS, president, First National Bank of Dallas, Texas, is Dallas chairman and HENRY H. PERRY of the F. S. Moseley Company, Boston, Massachusetts, is chairman for the Boston area.

JOHN D. ROCKEFELLER, Jr., is chairman of the fund's national advisory committee. Other members of this committee include: CHARLES F. ADAMS of Boston, chairman of the board, State Street Trust Company; LINDSAY BRADFORD of New York, president, City Bank-Farmers Trust Company; GEORGE H. BURCHAM, Chase National Bank, New York; FRED F. FLORENCE of Dallas, Texas, president, Republic National Bank; R. T. MARSH, Jr., of Richmond, Va., vice-president, First & Merchants National Bank.

Banker Helps Crush Nazis

Lieutenant Colonel FLOYD M. CALL, formerly a member of the staff of the American Bankers Association and prior to that an assistant in the consumer credit division, Department of Financial Institutions of the Indiana Department of Banking, and now commander of a battalion of the 309th infantry regiment of the 78th Lightning Division, was credited in a dispatch from the Western

(CONTINUED ON PAGE 88)

Eastern Secretaries Conference in New York. At head table, A.I.B. Educational Director



William A. Irwin; Kenneth McDougall, vice-president, Eastern Secretaries Conference; William T. Wilson, secretary, A.B.A. State Association Section; and J. Walter Taylor, secretary-treasurer, Delaware Bankers Association

Another Example of Douglas Fir Plywood's Versatility In Wall Design Treatment!

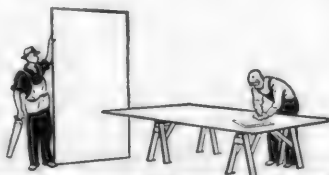
No. 4 of a Series

In a long list of offices, stores and other commercial buildings—as well as in homes of almost every type—Douglas fir plywood can add beauty and utility to wall design. The restaurant illustrated below is one typical example worked out by an architect.

Several basic principles will serve as a guide in planning wall design treatments with Douglas fir plywood. Start at the openings with vertical joints and divide the plain wall spaces in an orderly pattern for the most pleasing effect. Vertical joints should be used

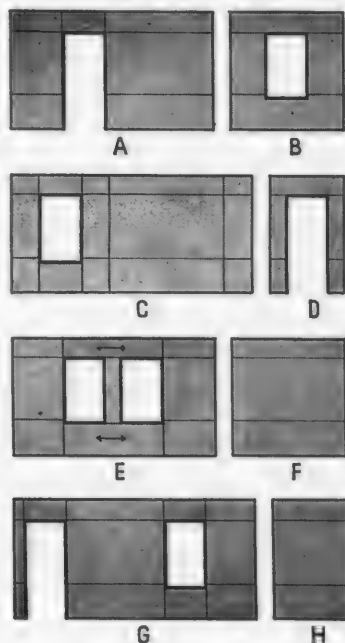
at top of doors and at top and bottom of windows, as in the diagram at the right. In cases where the width of the door or window is over four feet, do not hesitate to place the panels horizontally (as in Figures B and E) for combinations of vertical and horizontal arrangements may be used in the same room with pleasing effect.

There are three grades of Douglas fir plywood panels made especially for various phases of wall construction. PLYWALL is made especially for standard wallboard use; PLYPANEL is a premium panel used for quality interior work; PLYSCORD is a utility panel made for wall and roof sheathing.



For additional helpful data, write the Douglas Fir Plywood Association.

Simple Suggestions For An Attractive Wall Design With Plywood



CAN PLYWOOD BE SPECIFIED NOW FOR POSTWAR USES?

The increased capacity of the industry will make MORE Douglas fir plywood available for civilian consumption THAN EVER BEFORE, as soon as the needs of the armed services lessen or war restrictions are lifted. There will be no reconversion delays; the same types and grades of Douglas fir plywood that are now being made can flow immediately into peace-time building and construction.



In the illustrated application above, notice that a curved treatment is used on the ceiling. Douglas fir plywood is ideal for such use, for it can be bent to simple curves without steaming and without danger of splitting.

DOUGLAS FIR PLYWOOD ASSOCIATION
Tacoma 2, Washington

MAIN STREET—Continued

Front with leading his battalion against a German town after outmaneuvering the Nazis on a previous engagement.

Lieutenant Colonel CALL's men shoved off at 3 A.M., so quietly that they covered 3,000 yards before the Germans knew they were on the march. Bypassing several pillboxes, they took a barracks and almost 200 prisoners.

As the attack continued the next day, the Yanks crossed terrain of high hills, dense woods, deep ravines and "gardens" of anti-personnel mines.

Then Lieutenant Colonel CALL sent



Lt. Col. Call



Mr. Cochard

one company to take the south side of the city and another to take the north half. The Germans tried an artillery barrage, but the infantrymen kept coming.

When the Lightning Division retal-

iated with artillery fire of their own, the Nazis took off, leaving another German city to the Yanks.

CALL was knocked down by a piece of shrapnel during the action, but returned to duty immediately after suffering slight wounds. He is the son of NATHAN CALL, cashier of the Roachdale Bank and Trust Company, Roachdale, Ind.

Auditors Move to Chicago

The National Association of Bank Auditors and Comptrollers has moved its headquarters from Cleveland to Chicago's First National Bank Building.

National officers of the association include: JOHN C. SHEA, assistant vice-president, Whitney National Bank, New Orleans, president; MILLS B. LANE, JR., first vice-president, Citizens & Southern National Bank, Atlanta, secretary; PAUL D. WILLIAMS, comptroller, Corn Exchange National Bank and Trust Company, Philadelphia, secretary; and DARRELL R. COCHARD, assistant secretary and managing editor of the *National Auditgram*.

Military Promotion

Lieutenant Colonel DAVID M. SCOTT, JR., of Newark, New Jersey, a former employee of the Chase National Bank of New York, has recently been promoted from major to his present rank. Lieutenant Colonel SCOTT is serving as assistant quartermaster and supplies officer on the headquarters staff of a unit of the Chinese Combat Command near Kunming.

Memorial to Banker's Son

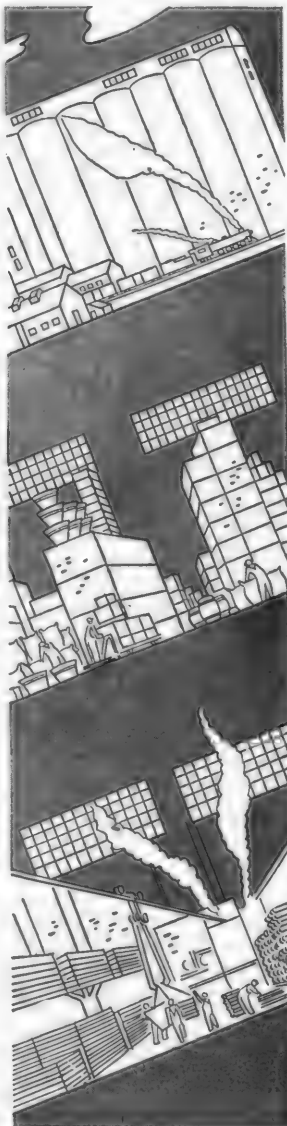
A memorial of white Sicilian marble has been erected to the memory of Lieutenant WILLIAM M. SHERRILL, JR., of St. Louis, Missouri, and three members of his Liberator crew by the parishioners of Kirby Bedon Church in Norwich, England. Lieutenant SHERRILL is the son of WILLIAM M. SHERRILL, SR., advertising manager of the First National Bank of St. Louis and chairman of the Public Relations Committee of the Missouri Bankers Association.

Lieutenant SHERRILL and his crew
(CONTINUED ON PAGE 90)

REPRESENTATION

Nationwide dependence upon the productive activities of the Great Lakes Industrial Region, emphasizes the need for direct banking representation in the Cleveland area.

Industries and banks can secure distinct benefits in having the facilities of Central National Bank of Cleveland at their disposal.



CENTRAL NATIONAL BANK of Cleveland

• CLEVELAND 1, OHIO

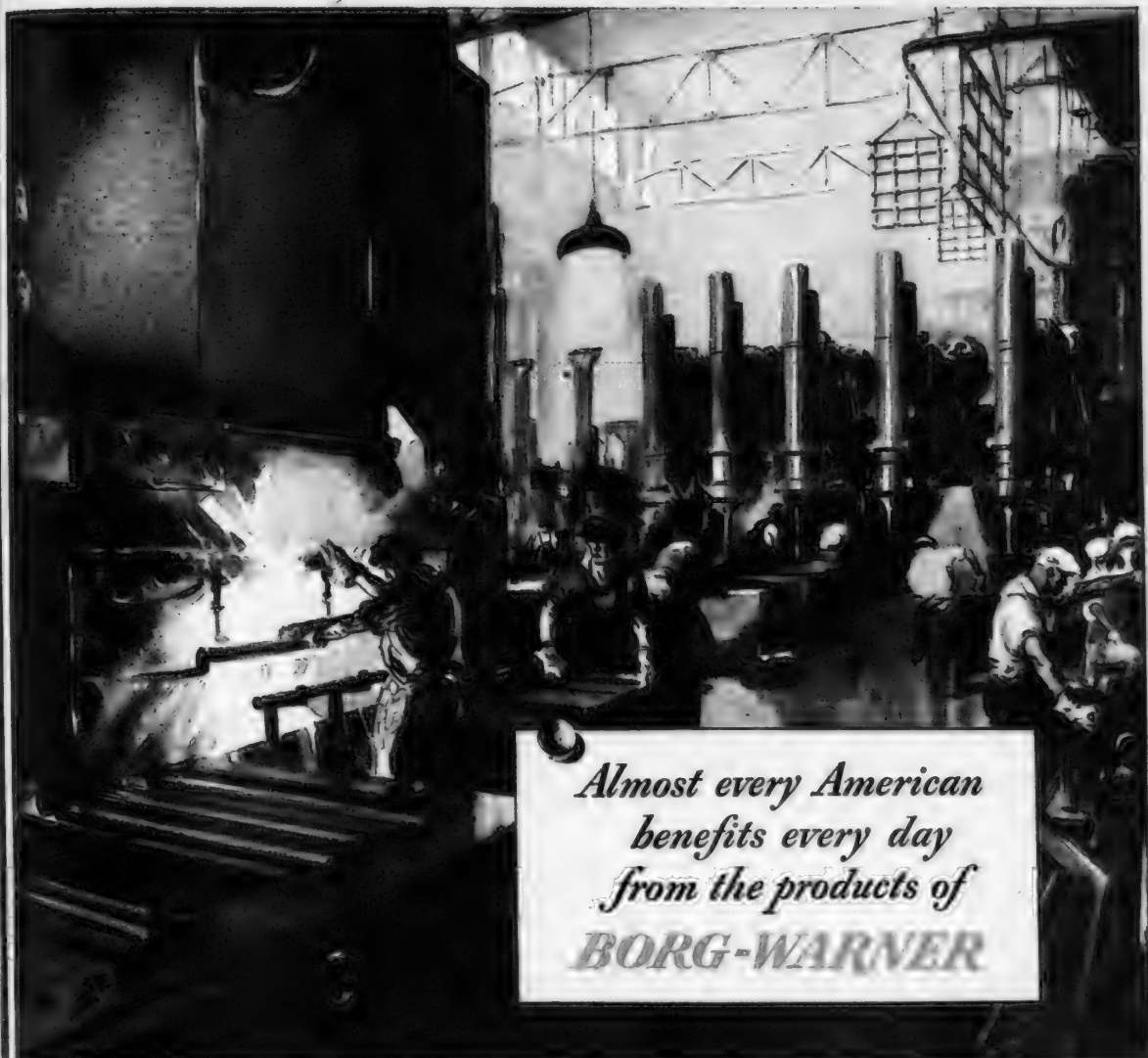
MEMBER FDIC •

Lt. Col. Scott, at right



U. S. ARMY SIGNAL CORPS PHOTO

BANKING



*Almost every American
benefits every day
from the products of
BORG-WARNER*

"WAR TRANSPORT IN THE MAKING" at Mechanics Universal Joint Division. James Sessions paints one of many operations in mass production of essential parts for trucks, half-tracks, tank destroyers, tanks and aircraft. This big Borg-Warner plant is one of the largest makers of universal joints.

Peacetime makers of essential operating parts for the automotive, aviation, marine and farm implement industries, and of Norge home appliances.

Right now industry's one big job is to provide the weapons to win. When victory has been won, this demonstrated ability for large production again will bring you the fine new cars, refrigerators and countless other conveniences which made our "American Way" the envy of the world.

You can expect Borg-Warner to contribute important advancements in many fields. For Borg-Warner companies make not only complete products, but also vital operating

parts for the products of other industries. To cite one example, Borg-Warner parts are giving service today in nine out of ten makes of automobiles.

"Design it better, make it better," is the guiding principle which directs every phase of engineering and large-scale manufacturing for this group of companies.

In war and peace this Borg-Warner creed has proven its worth. Tomorrow, as today, it will result in better products at lower costs.



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AIRLINE FINANCE

*A joint study by Bankers Trust Company,
The Mutual Life Insurance Company of
New York, The Chase National Bank
and The New York Trust Company.*

THIS is an extensive and technical study which was conducted under the supervision of an independent consultant on aviation matters. It contains detailed estimates of the expected growth and probable capital needs of the airlines, and describes various financing arrangements that are being developed to meet their needs.

It has been undertaken from the viewpoint of the lender in order to help him meet efficiently the requirements of the airlines, and it covers various types of lending, which will be of interest to banks. Requests for copies should be addressed to: P. O. Box No. 27, Wall Street Station, New York City.

MAIN STREET—Continued

were killed when their crippled bomber crashed in Norwich on its return from a mission over Germany. The lieutenant was a navigator.

The memorial bears a dedication "to the memory of four gallant American airmen of the Eighth Air Force." Lieutenant SHERRILL was awarded the Purple Heart posthumously.

25th Anniversary New York A.I.B. Women's Committee

A quarter of a century ago, a group of forward-looking young women met at a get-acquainted dinner to discuss women's place in banking. As a result of that meeting, the following Fall the Women's Committee, New York Chapter, American Institute of Banking was organized, with ADELINE LEISER, Bowery Savings Bank, as chairman. The 25th anniversary of that event was celebrated at a luncheon on Saturday, April 21, under the chairmanship of GERTRUDE C. KENNEDY, Federal Reserve Bank of New York.

New State Presidents

Here are some of the new presidents of state bankers associations who will serve during the 1945-46 year:

New York, BERNARD E. FINUCANE, president, Security Trust Company, Rochester;

Utah, P. P. THOMAS, president, Commercial Bank of Spanish Forks;

New Jersey, HARRISON M. THOMAS, president, Princeton Bank and Trust Company;

Missouri, JAMES P. HICKOK, president, Manufacturers Bank and Trust Company, St. Louis;

Kansas, H. E. DOUGLASS, vice-president, Peoples National Bank, Burlington;

Alabama, A. B. HOPE, president, First Bank of Notasulga.



Clockwise, B. E. Finucane, P. P. Thomas, and H. M. Thomas

(CONTINUED
ON PAGE 92)

LOCAL . . . NATIONAL . . . WORLD-WIDE



DIRECTORS

HENRY E. BODMAN
ALBERT BRADLEY
CHARLES T. FISHER
*CHARLES T. FISHER, JR.
*JOHN B. FORD, JR.
JAMES S. HOLDEN
JAMES INGLIS
*WILLIAM S. KNUDSEN

DIRECTORS

ALVAN MACAULEY
WALTER S. McLUCAS
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R. PERRY SHORTS
GEORGE A. STAPLES
R. R. WILLIAMS
C. E. WILSON

* On leave of absence in service of United States Government

RESOURCES EXCEED ONE BILLION DOLLARS

MEMBER F. D. I. C.

Citations to Bankers

Sergeant HAROLD SYKES, an aerial photographer with the U. S. Fifteenth Air Force based in Italy, was awarded the Purple Heart after his first mission and in the seven succeeding months was awarded seven additional decorations.

While on his 47th mission, Sergeant Sykes was compelled to "hit the silk" at 13,000 feet, amidst a rain of flak and plummeted 10,000 feet before he was able to open his 'chute. As he strove to pull his release cord with his right hand

Sergeant Harold Sykes, of the Chase National Bank of New York, center foreground, and members of his B-24 crew as they stepped out of a rescue plane at their base in Italy wrapped in colorful blankets provided by friendly Yugoslav patriots who aided them in making their escape



PRESS ASSOCIATION

it would not function because, he discovered later, a piece of shrapnel had struck in his elbow. By the time he discovered he must pull the cord with his left hand he was dangerously near the earth.

Some time later the sergeant's family was notified that he was "missing in action in Yugoslavia," and later a friend at the Chase National Bank was notified that he had "returned to duty." Sergeant SYKES and his entire crew was rescued in an operation that took but seven minutes when a bomber was set down behind German lines in Yugoslavia.

The sergeant's medals, in addition to the Purple Heart with an Oak Leaf Cluster, are the Air Medal with three Oak Leaf Clusters, and the Presidential Citation with an Oak Leaf Cluster.

Servicemen formerly employed by the Irving Trust Company of New York recently decorated include:

Sergeant JAMES L. POWELL was awarded the Soldier's Medal for heroism in rescuing military personnel during an enemy air attack on a concentration of motor vehicles in Normandy, France. Sergeant POWELL is attached to the Infantry and also participated in the liberation of Belgium.

Captain DONALD G. NYREEN, a veteran of 50 bombing missions, holds the Air Medal with three Oak Leaf Clusters, the Distinguished Flying Cross, and Presidential Unit Citation with an Oak Leaf Cluster. His bombing squadron was assigned to the European war zone. Captain NYREEN was assigned to teaching the fundamentals of flying the B-24 Liberator upon return to the States.



Capt. Nyreen



Sgt. Keegan

Staff Sergeant MARTIN H. KEEGAN, who saw action in the European theater, was awarded the Distinguished Flying Cross and the Air Medal with three Oak Leaf Clusters.

(CONTINUED ON PAGE 94)

SINCE 1858...

this bank has maintained a
practical, helpful relationship
with correspondent banks.

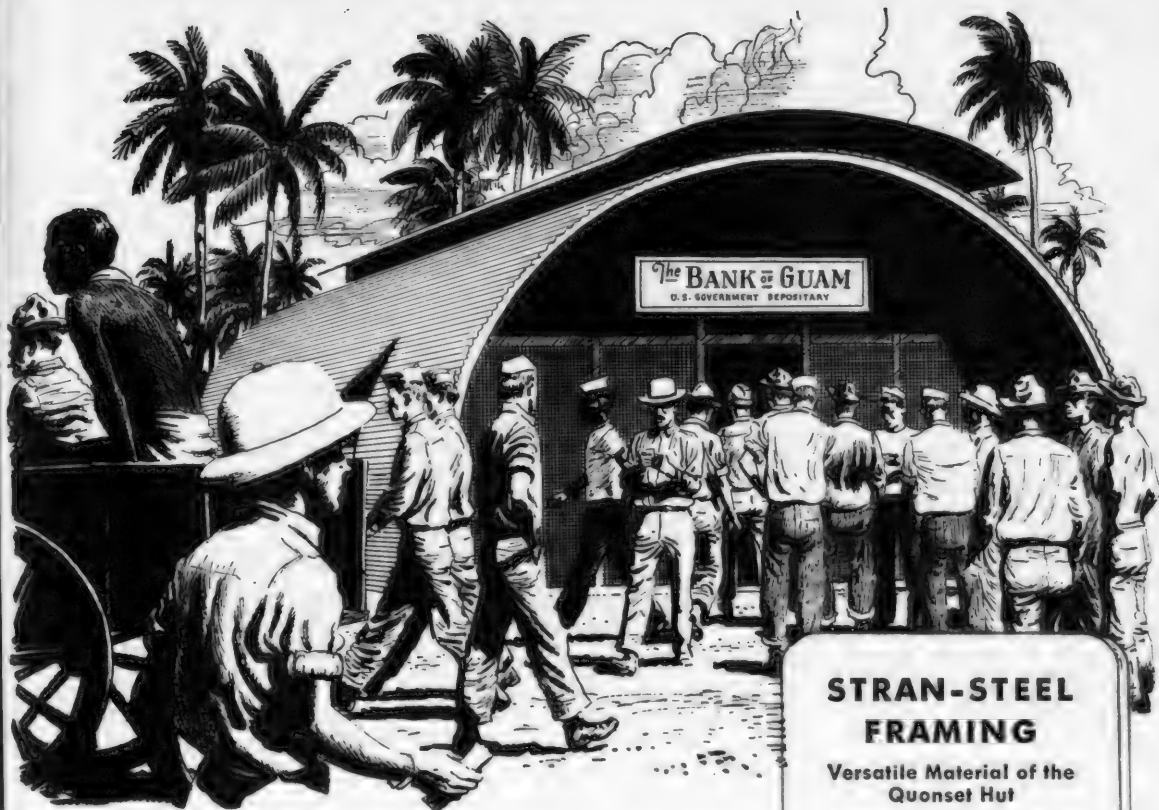
We are always glad to be of
assistance to bankers.

The FIFTH THIRD UNION TRUST CO.

CINCINNATI, OHIO

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Federal Reserve
System

Member Federal
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There's something familiar about the

Bank of Guam

Yes — it's another Quonset Hut

Not long ago the Bank of Guam consisted of ten crates, stowed with others in the hold of a ship bearing supplies to advanced base headquarters of the Pacific Ocean area. In these crates were the component parts that make up a Quonset Hut—lightweight Stran-Steel framing, metal roofing and siding, nails, bulkheads, electric wiring and fixtures, ventilators, windows, door panels.

At that point, no one in this wide world could have told how this particular group of ten crates—this particular Quonset Hut—would serve. It might have become a barber shop—or a barn . . . a

barracks building—or a bakery . . . a communications building—or a bomb assembly shed. "You name it, we'll build it" is the Seabees' attitude when the Quonset Hut crates hit the beach!

And so, it became the Bank of Guam!

Tens of thousands of Quonset Huts have been produced by the Great Lakes Steel Corporation to house men, materials and operations at our Pacific bases. So varied are their uses, so vast their application, that they have become the very symbol of American progress against Japan . . . the milestones on the road to Tokyo.

Back the 7th War Loan . . . Buy War Bonds

GREAT LAKES STEEL CORPORATION

STRAN-STEEL DIVISION • 37TH FLOOR PENOBSCOT BUILDING • DETROIT 26

UNIT OF NATIONAL STEEL CORPORATION

STRAN-STEEL FRAMING

Versatile Material of the Quonset Hut

Simple, efficient and easy to erect, modern Stran-Steel framing is the "backbone" of the Quonset Hut. Tomorrow, this great material will bring new permanence and economy to all types of construction—homes, farm buildings, commercial and industrial buildings. It is fire-safe, rigid, rot-proof, warp-proof . . . and you nail to it.



FARM BUILDINGS



HOUSES OF ALL TYPES



COMMERCIAL AND INDUSTRIAL BUILDINGS



Have You Heard?

ROBERT L. DOMINICK has been promoted from vice-president and trust officer to president of the Traders Gate City National Bank of Kansas City, Missouri, succeeding his uncle, J. R. DOMINICK, who was advanced to chairman of the board. Mr. DOMINICK is chairman of the Organization Committee of the American Bankers Association and is a member of the Association's Executive Council.

Also promoted by the Traders Gate City National Bank were: W. B. PLANK from first vice-president to vice-chairman of the board; GEORGE E. POWELL to executive vice-president; KENNETH A. ROBERTSON, from cashier to vice-president; FRANK L. ALEXANDER, from assistant cashier to cashier; and ARTHUR H. ELIOTT, from assistant cashier to assistant vice-president.

WILLIAM M. DAY, formerly assistant trust officer, succeeded ROBERT L. DOMINICK as trust officer.

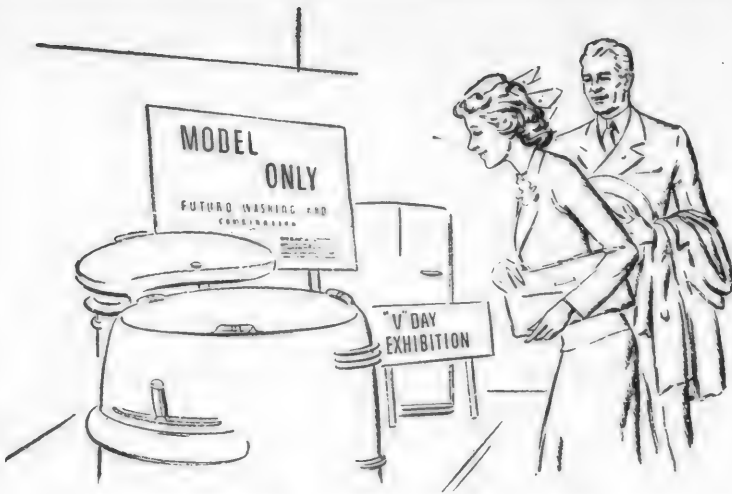
It has long been the custom of the Crocker First National Bank of San Francisco to award its employees with a gold watch and six months vacation with pay upon completion of 25 years of service. This procedure was reversed early this year when the employees presented W. W. CROCKER, president of the bank, and chairman of the Northern California War Finance Committee, with a gold watch commemorating his quarter century of service with the bank. GORDON BURLEIGH, president of the Crocker First Club, an employee organization, made the formal award in behalf of the employees during appropriate ceremonies in the bank lobby.

CHARLES A. KANTER, president of
(CONTINUED ON PAGE 97)

A.I.B. National President William C. Way and Dorothy Druckenbrod, both of Cleveland, confer on last minute preparations for A.I.B.'s National Public Speaking contest in Cleveland on June 4



BANKING



CONSUMER CREDIT FINANCING IN THE STATE OF WASHINGTON

To manufacturers and distributors contemplating marketing their products on the Pacific Coast, this bank, with 35 banking offices covering the State of Washington offers a complete financing plan.

An average of one family out of every two in the State of Washington—a total of 270,000 customers, use some service of the Seattle-First National Bank.

Our Consumer Credit department will welcome inquiries about our complete financing plan for installment credit sales.

The Largest of Many
Excellent Banks
in the
Northwest



35 banking offices
conveniently located
in the State
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SEATTLE-FIRST NATIONAL BANK

Main Office — Seattle
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- 1— Is my present insurance sufficient to cover the value of my property today?
- 2— There's more than one way to destroy a building. Do I have the added protection provided by the Extended Coverage Endorsement?
- 3— Have I got an up-to-date inventory of my household possessions and sufficient insurance on them?
- 4— Have I asked my agent to review my insurance requirements lately?

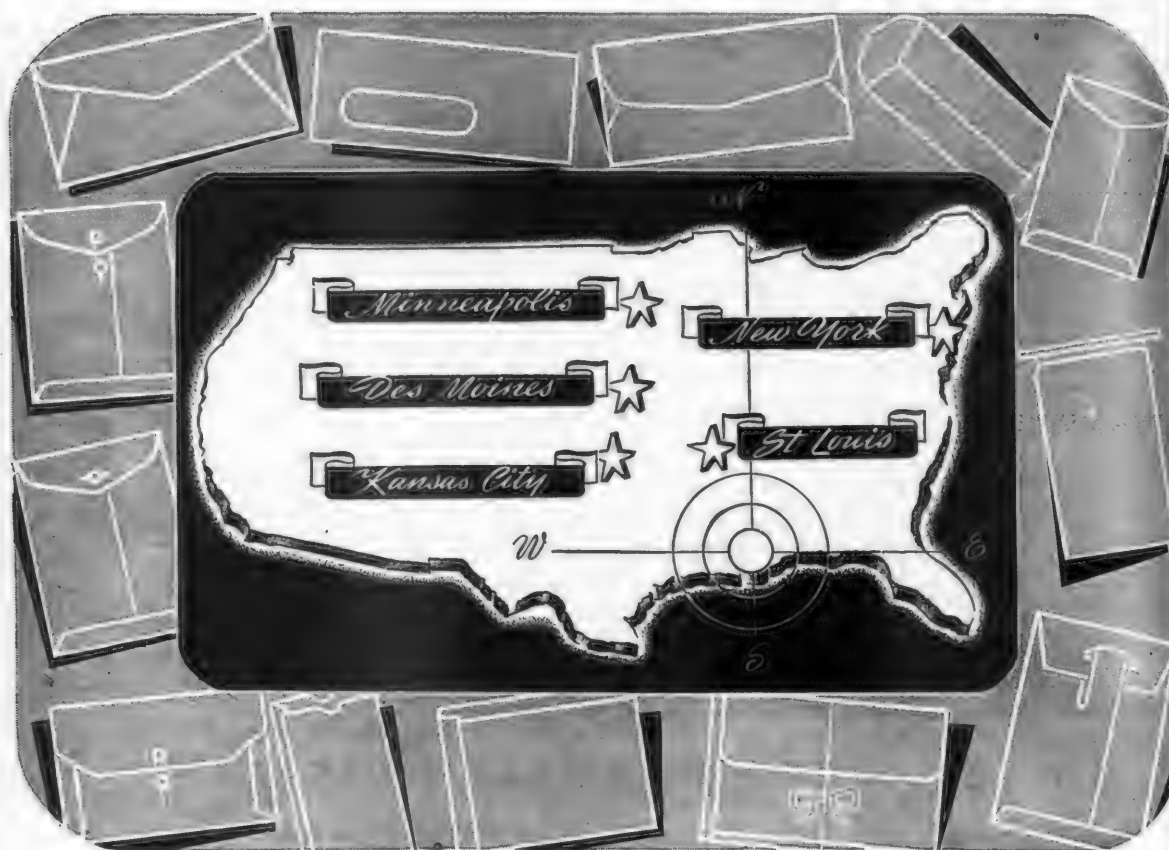
If you cannot answer ALL these questions in the affirmative *run*, don't walk to the nearest Fidelity-Phenix representative. If you do not know his name write to us at 80 Maiden Lane, N. Y. 8, N. Y. and we will send it.

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| NIAGARA FIRE INSURANCE CO. | FIRST AMERICAN FIRE INSURANCE CO. | MARYLAND INSURANCE CO. |
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| BERNARD M. CULVER <i>President</i> | | FRANK A. CHRISTENSEN <i>Vice President</i> |

* TENSION Envelope **FACTORIES** *to Serve You!*



Modern, completely equipped Tension Envelope Factories are located to serve users of business envelopes everywhere. Each factory is a complete manufacturing unit, cooperating to serve the customers of all.

For more than 60 years Tension craftsmen have been delving deep into the envelope needs of customers. With this research and their 60 years of practical experience it is not surprising that

TENSION KNOWS HOW.

Tension trained representatives are established in 40 important cities across the land, eager and able to help you with your envelope problems. **TENSION KNOWS HOW** to make better envelopes for every business need, including filing and packaging as well as mailing.



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*DES MOINES 14, IOWA, 1912 Grand Ave.

*ST. LOUIS 3, MO., 23rd & Locust St.

*KANSAS CITY 8, MO., 19th & Campbell St.

*Originally Berkowitz Envelope Co.

MAIN STREET—Continued

Manufacturers National Bank of Detroit, has been elected a director of the Detroit Branch of the Federal Reserve Bank of Chicago for a two year term.

H. A. HAYWARD has been elected vice-president of The Public National Bank and Trust Company of New York and will have charge of the bank's foreign department. His experience includes 18 years with the foreign department of The Chase National Bank of New York. He comes to the Public National from the Union Trust Company of Maryland, Baltimore, where he headed the foreign department.

A. M. STRONG, who for the past 13



Mr. Hayward



Mr. Strong

years was in charge of the foreign department of the Public National Bank and Trust Company of New York, is now head of the foreign department of the American National Bank and Trust Company of Chicago, which is expanding its activities in anticipation of greatly increased interest in foreign trade.

Mr. STRONG writes on financial and foreign trade topics; is a director of the Bankers Association for Foreign Trade; chairman of the Committee on Uniformity in Documents and Practices of the Association; chairman of the Subcommittee on Import Control; vice-chairman of the New York Committee on Foreign Banking; and vice-president of the Foreign Remittance Club.

Promotions at The Union and New Haven Trust Company of New Haven, Connecticut, include elevation of EDWARD G. ARMSTRONG, JOHN R. DANIEL and LOUIS D. KENNEDY to vice-presidencies; EMIL L. ROTH advanced to secretary; FRANKLIN H. BUDGE, to assistant vice-president; and ROBERT A. PRATT, to assistant treasurer.

Manpower

SINCE V-E Day the War Manpower Commission has been folding up its "forced release" or labor draft program, but this should not be taken as an indication of an early suspension of all WMC controls. It is merely the first step in a realignment plan set forth by the Commission in its memorandum to regional manpower directors on April 25.

The plan calls for a reshuffling and redefining of labor areas. As cuts in war contracts, made possible through Germany's defeat, are put into effect, the present four major classifications of labor areas will be rearranged and controls readjusted somewhat on this basis:

Group I. Shortage areas, where employment stabilization, employment ceilings, and priority referral of males will be retained and where the 48-hour week will be continued, but with a greater degree of flexibility.

Group II. Balanced areas, where the statement of availability procedure will be retained, but where other forms of control (employment ceilings, priority referral, and 48-hour week) will be optional.

Group III. Surplus areas, where all regulatory programs will be eliminated.

Group IV. Substantial unemployment areas, where all regulatory programs will be dropped and where special programs to alleviate unemployment will be instituted.

Bank officers who carry the responsibility of maintaining sufficient manpower in their institutions should keep in close touch with their area manpower directors for information on changes in classifications of their areas which might relieve them of some of their hiring problems.



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Year after year hundreds of American banks use Central Hanover as their New York correspondent because they like the wide experience and care it brings to the protection of their interests and the handling of their business.

For example, 278 banking institutions have been correspondents continuously for more than half a century.

Central Hanover gives individualized attention to individual needs.



**CENTRAL HANOVER
BANK AND TRUST COMPANY
NEW YORK**

Member Federal Deposit Insurance Corporation

Most of Them Hadn't a Dime

NOT one of them had a dime in American money. . . ." This was the financial plight of the 2,850 hollow-cheeked, poorly clad internees who arrived at Los Angeles Harbor early in May aboard huge, gray Army-Navy transports — home after surviving more than three years of horrors in Jap prison camps in the Philippines.

The above remark was made by Harold M. Swanson, assistant cashier of Security-First National Bank of Los Angeles, who headed a six-man facility the bank set up at the request of the American Red Cross in the Los Angeles Elks Club where officials established a reception center for the repatriates. The principal task of the facility was to exchange Filipino for American money, cash checks and issue travelers' cheques, bank drafts and cashiers' checks.

The repatriates with Filipino money had been paid off in Manila in pesos, and were able to exchange it at 50 cents on the dollar. The only type of Filipino currency for exchange had "Victory" printed boldly on the back. Most of the repatriates took just enough cash to see them home, converting the re-

The Philippine repatriates kept the banking facility busy for three days. The bank staff men who helped them were George Thomas, Henry Noble, R. P. Davis, and Harold M. Swanson (seated, backs to camera)



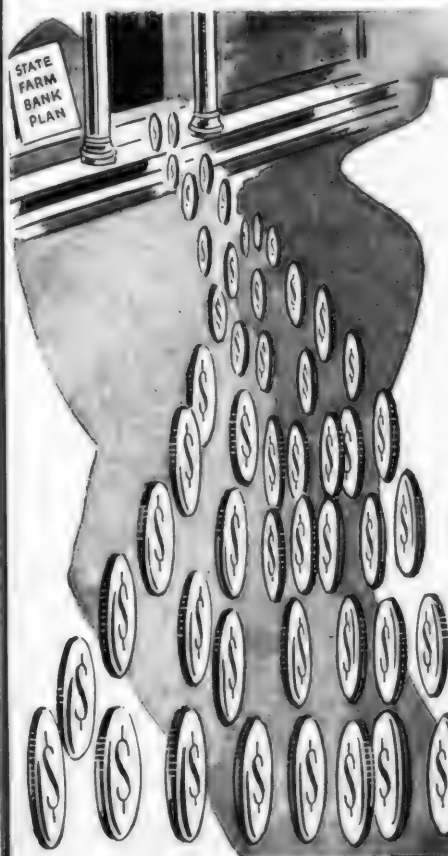
mainder of their "grub-stake" into travelers' cheques or bank drafts.

Security-First National set up the facility on short notice, and, despite the throngs that nearly swamped it at times, the task of supplying the internees' financial needs was handled smoothly. As much as \$35,000 in cash was required most of the time. The facility was kept open all three days the Red Cross operated the center.

Returnees with no financial backing

got outright gifts of Federal funds. According to Arthur J. Will, Los Angeles County superintendent of charities, approximately \$500,000 in Federal funds was spent to care for the needs of the repatriates. This included cash, transportation, food, shelter, hospitalization and other necessities, averaging \$350 per person for those in need.

Many received checks as partial back-pay from missionary societies, large corporations and the Government.



A Billion Dollars

IN SEARCH OF A BANK!

Is your bank ready?

With a mighty surge, dollars will go on the march again as soon as new cars are available. Be prepared for the tremendous postwar auto financing business! 6,000 agents for State Farm Mutual (the world's largest automobile insurance company, with more than 1,000,000 policyholders) are advising preferred-risk State Farm policyholders to turn to you bankers. Read how you can share in this great profit opportunity!

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Bloomington, Illinois



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State Farm Insurance Companies
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Gentlemen:

B-65

Please send us new free booklet which tells how the State Farm Bank Plan will help us get our share of America's billion dollar postwar car financing business—including the results of your recent survey on policyholders' postwar buying plans.

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(Bank)

Address.....

City..... Zone..... State.....



Is this kind of home worth saving for— and Protecting!

When you think of the kind of home you can have tomorrow—think of these practical, proved advantages that can be yours!

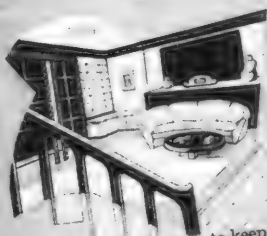
These actual developments are not dream-children . . . nor the products of starry-eyed designers of some "brave

new world" beyond the horizon . . . the overwhelming majority are in existence *right now*, only waiting for the mass demand that will follow the war, plus availability of materials to make them as practical a part of your daily life as a loaf of bread!

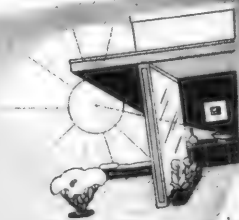
The Roof over your head!



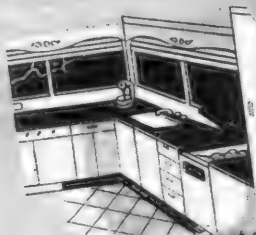
DO YOU KNOW, for instance, that the very roof of your house of the future may never need reshingling—that glass or aluminum shingles are proven practicalities?



OR TAKE the precipitron, to keep your home practically dustless—proven in practice since 1933—available to you after the war at a price you can afford and at proportionately low maintenance cost.



CONSIDER the possibilities in heating by solar radiation—cutting down fuel bills as much as one-third—that is actually in existence *right now*, made possible by a new kind of sealed double pane window glass.



AND THE KITCHEN—without a sharp edge, with refrigerator and home freezing units recessed and built-in, as part of a plan for convenience that includes every detail—and is air-conditioned for continuous comfort!



OR THINK of that solar radiation being supplemented by radiant heating—heat that fills the room evenly with the cheery warmth of a sunny morning, that comes from floor, wall and ceiling—in use in 500 homes today.

Wait!

These are just a few of the details of your house of tomorrow you can have—*and saving—for now.*

and when they are yours, they will be worth protecting with the surest, most complete insurance you can have . . . quality insurance to equal the quality of your living conveniences.

☆ **THE HOME** ☆
Insurance Company
NEW YORK

FIRE • AUTOMOBILE • MARINE INSURANCE

War Bonds are not merely a definite help in winning the war—bought systematically, they are an excellent means of saving with interest to buy quality goods later. Why not maintain and expand your regular purchases at pre-determined intervals?

Tomorrow's Bank Building

In recent issues BANKING has reported bankers' ideas of what they would like in a new or remodeled bank building. Here are excerpts from further letters.

THE need for more lobby space because of the increased use of public bank services, is frequently noted. "Banks should have one thing in common, and that is adequate lobby space to take care of a maximum number of customers," wrote a manufacturer of bank equipment. "This in turn would require adequate tellers' facilities. The greatly increased number of depositors in most banks has created long lines of customers that, in some instances, actually reach the street. I have noticed in many banks that depositors frequently drop out of lines because they cannot wait long to transact their business.

"One of the most desirable features that could be provided in a bank building would be efficient counters," he continued. "Too many bankers and too many architects still design and install counters and tellers cages with cupboards and 'catch-all' construction. They also continue to build counters 42 inches high because someone started with that size a century ago. Tellers who work with the proper facilities and equipment give better service to the depositors. This same idea applies to other departments."

THE president of a check printing company had several suggestions for the improvement of bank lobbies. He would have an information desk near the front door, and on or near it an easel into which could be inserted prominent signs directing the people to certain parts of the bank where special services of current interest were located.

"The periods just prior to tax payment dates and automobile license payments would be subjects for this easel.

"I think also that throughout the lobby lighted signs over the various tellers' windows should be prominent enough and large enough to indicate the type of business transacted at each point, and the signs should be arranged so that they could be seen from the front rather than be hidden until one is in front of the window. . . .

"Incidentally, in connection with the cashing of checks what I think would be nice is a portable railing that could be used to mark off a confining area for

people standing in line on peak paydays. This would maintain an orderly arrangement of a large number of people and would definitely show everyone that no one could crowd in ahead of him. Such a railing could be removed from the lobby entirely on normal work days."

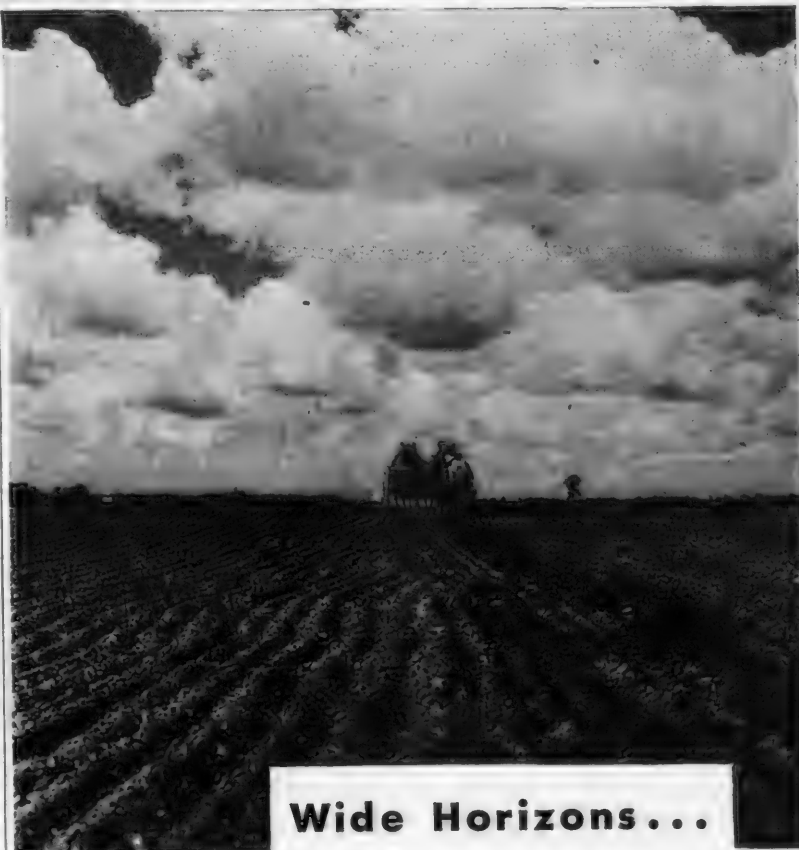
Departmental Arrangement

The best arrangement for bank departments has received considerable thought among the bankers queried. Here are excerpts from their letters giving some of the suggestions made.

(1) "Departments arranged according to density of traffic served. Good location for new account department."

(2) "A combined savings and personal loan department in a prominent place on main floor of banking room that could be open to the public from 8 A.M. to 5 P.M. without interfering with regular banking hours in other departments. A full complement of tellers as open to the public as possible. No barriers to officers quarters."

(3) "Give the loan departments prominent space in the main lobby (loans



Wide Horizons...

Banking faces increased opportunities for service in the years to come—service to individuals, to business, to the nation. Coincident with these greater opportunities, however, also will come greater responsibilities.

In this promising future, as now and in the past, Mississippi Valley Trust Company will strive to assist you in every way possible. Our goal has always been the utmost in service. It will continue to be.

90 Years of Banking Experience



Member Federal Deposit Insurance Corporation

MISSISSIPPI VALLEY TRUST COMPANY • ST. LOUIS, MO.

which are the earning side of banking are at least as important as deposits, which are the raw material from which loans are created). Make the loan officers easily available yet private enough for confidential discussions.

"Locate vaults so as to insure accessibility to employees and customers. Provide adequate storage space for records and supplies. Keep in mind in designing long-life buildings that adequate wiring and outlets will be needed as banks become more and more mechanized. Branch offices should be built so that they are easily convertible into stores,

if the neighborhood no longer warrants maintenance of the branch.

"Bank architects should study how bank work flows, and substitute less mausoleum and more functional design; less creative artistry and more efficient use."

Modern Improvements

The need for sound-proofing, scientific lighting, and air-conditioning of bank quarters is widely recognized today. One banker goes so far as to want a music and announcing system throughout the bank on all floors.

A typical letter said: "Naturally, I would see to it that the quarters are expertly ventilated and air-conditioned to the point that the same temperature would be maintained. The very best lighting equipment obtainable, as near the equivalent of daylight as possible, would be used throughout the institution, thereby eliminating the need of all desk lamps, eye shades, etc., which are so objectionable in many banks. There should be soundproofing throughout."

The provision of facilities for the use of the public and for employees has also come to be accepted by banks.

"As a distinct public relations move banks should provide ample space for the use of the public, which would include all customers and prospects," specified a large city banker. "There should be conference rooms where customers can hold meetings of whatever type they desire. There should be rooms where people can write a letter, consult the city directory, make telephone calls.

"Coupled with this attitude of service toward the community there should be an assembly room large enough to seat the entire organization, which can be used not only for meetings of the employees, but for public use as well. Such a room should be equipped with a good moving picture projector and screen.

"I would provide ample space for the employees, such as lounges, smoking rooms, etc., which will add to their comfort and make them happier in their office surroundings. In larger banks there should be complete dining facilities with delicious food served attractively and not thrown at the employees. In this setup of dining facilities there should be arrangements for the serving of special dinners and luncheons in conference rooms where such meetings can carry on through the dining period."

LESS extensive, but in the same line, were suggestions from other bankers.

"A comfortable waiting foyer should be provided, and also rest rooms for men and women with the very best of appointments. Drinking fountains and pay telephones should also be provided."

... "In the basement a large comfortable room for directors' meetings, big enough for use by customers, and employees for parties, with the bank library around the wall. Let the public know it is open for their small meetings." ... "We would want an exhibit room next to, or as a part of the lobby, to be used for displays of public interest: one month soldier trophies, another soldier pictures, an art collection, school work exhibit, flower show, other community projects."

Your Atlanta Correspondent

...in the Post-War South

FULTON NATIONAL BANK

Atlanta, Georgia

MEMBERS: FEDERAL RESERVE SYSTEM - FEDERAL DEPOSIT INSURANCE CORP.

To Serve You In

CANADA

Coast to Coast
in Canada

Newfoundland Jamaica

Cuba Puerto Rico

Dominican Republic

New York, 49 Wall St.

London, England
108 Old Broad St. EC2

DURING the war the development of Canada's natural resources has gone forward rapidly. Plan now for profitable post-war trading with the Dominion.

With ample resources and over a century of banking experience, this Bank is in a position to be helpful with your Canadian problems.

Enquiries are cordially invited.

General Office - Toronto, Canada

The BANK of NOVA SCOTIA

Over a Century of Banking Experience

*Times of widespread change
always multiply the need for
dishonesty insurance. The
critical period ahead will
stress the value of a strong,
long established insuror,
specializing in such risks.*

**FIDELITY, SURETY AND BANKERS BLANKET BONDS
BURGLARY, ROBBERY, FORGERY AND GLASS INSURANCE**

FIDELITY AND DEPOSIT COMPANY OF MARYLAND

Baltimore, Md.



SINCE 1890

WITH WHICH IS AFFILIATED THE AMERICAN BONDING COMPANY OF BALTIMORE

New Routing Symbols

A NEW system of routing symbols designed to cut the time required for the collection of checks, reduce the work of sorting, and eliminate to a large extent the bothersome problem of misforts has been recommended to the nation's banks jointly by the Federal Reserve banks and the Bank Management Commission of the American Bankers Association. The symbol was developed over a period of years by the Committee on Collection of the

Federal Reserve System and a committee representing the Bank Management Commission. It has been approved by the Association and the Reserve banks.

Use of the routing symbols will aid banks by speeding up the sorting and routing of checks, will help eliminate errors, and will shorten the time required for presentation and payment of items. This plan is designed primarily to enable banks, in forwarding checks to

their Reserve and correspondent banks, to sort such items not only for direct handling but also for immediate and deferred availability. It does not contemplate the requirement of any different or additional sorts by the forwarding banks, said William A. McDonnell, Commission chairman and vice-president of the Mercantile Commerce Bank and Trust Company, St. Louis. He added that lowering of costs through increased efficiency will benefit all banks using the symbols.

The routing symbol plan is being introduced first in the 36 Federal Reserve bank and branch cities. Following adoption by these groups of banks, which will include most of the city correspondent banks, a letter and booklet explaining the system will be mailed to all banks.

At the request of the American Bankers Association the Federal Reserve banks have agreed to assign routing symbols in each district, which will be included in the numerical key book of the Association.

DISCUSSING the new routing symbol, Mr. McDonnell said:

"By the use of the routing symbol, transit operators can get the full benefit of the increased sorting speed and accuracy provided by the plan without being instructed in all of the transit details. The present problem of determining the proper reserve bank or branch territory in which checks are payable, especially those drawn on banks in states located in two or more districts, would be avoided. The mis-sort problem would be materially reduced. The use of proof machines, which sort and list outgoing transit letters while proving individual deposits, also would be greatly facilitated. Transit executives can readily arrange the routine of their sorting requirements by specifying the symbols to be segregated for separate letters. Under the arrangement, the only skill required of the transit operator is the ability to read numbers and separate the checks bearing the selected symbols."

The physical characteristics of the routing symbol plan as explained in the bulletin prepared by the A.B.A. for the use of banks are:

The routing symbol is the denominator of a fraction, the numerator of which is the A.B.A. transit number assigned to the drawee bank;

(CONTINUED ON PAGE 107)

WHAT'S in a Name?

With more than one-third of its deposits from outside New England, this is truly a national institution. *Shawmut* is the ancient Indian name for Boston, where for more than 108 years this bank of "outstanding strength" has been producing results for its customers and correspondent banks, no matter how difficult or unusual the task.

The National Shawmut Bank

40 Water Street, Boston

Member Federal Deposit Insurance Corporation

CAPITAL \$10,000,000 SURPLUS \$20,000,000



THE CONSTELLATION

Lockheed's Constellation is one of the many implements of war now being made in Los Angeles. Its production is part of the tremendous industrial development of Southern California, which will provide peacetime security & employment.

In step with the growth of greater Los Angeles, Citizens National Bank is now better than ever equipped to handle promptly, all of your banking requirements in this area.

MEMBER FEDERAL DEPOSIT
INSURANCE CORPORATION
HEAD OFFICE
FIFTH AND SPRING STREETS

**CITIZENS
NATIONAL BANK**
TRUST & SAVINGS OF LOS ANGELES

MEETING THE CHALLENGE OF LIGHT-CONDITIONING

Real light-conditioning means much more than merely measuring "lumens" and "foot candles."

Like air-conditioning, light-conditioning is an exacting science which concerns itself with *qualitative standards*, as well as quantitative elements.

Like air-conditioning, too, it depends upon engineering principles to achieve true efficiency in any given installation. Light-conditioning is, in fact, *engineered lighting*.

Since 1857, as light sources progressed from oil, gas and incandescent to today's phenomenal fluorescent lamps, Frink has steadfastly specialized in *engineered lighting*. Throughout each lighting era Frink has met the challenge of the existing source with fixtures engineered to "condition" light for maximum benefit to its users.

Light-conditioning, therefore, is not new. But it will reach a dramatic climax in the post-war fluorescent era. Never before has there been a light source which lends itself so perfectly to scientific diffusion and distribution by Frink **LINOLITE** fluorescent fixtures... engineered for vision to give you light-conditioning at its best.

FRINK

LIGHTING SINCE 1857

L-I-N-O-L-I-T-E

THE ULTIMATE IN FLUORESCENT LIGHTING

THE FRINK CORPORATION, Bridge Plaza North, Long Island City 1, New York

SUBSIDIARIES: Sterling Bronze Company, Inc. • Barkon-Frink Tube Lighting Corporation

Government Bond Investment Facilities for Correspondents



OUR INVESTMENT ADVISORY DIVISION

will prepare an analysis of your bond portfolio in relation to your overall banking position. Particular attention will be given to your liquidity needs, your tax status, and other similar problems of present day banking.



OUR GOVERNMENT BOND TRADING DIVISION

will handle your orders at the best possible prices obtainable in New York City, where spreads between bids and offerings are at a minimum. Since we act as principals, our prices are net. No commissions are charged.



OUR CUSTODY DIVISION

will hold your securities in safekeeping, free of charge, and subject at all times to your instructions. Your securities will receive exactly the same care and protection as do our own. This arrangement permits you to eliminate postage, insurance, and other charges usually associated with the handling of securities.

"No Problem of Our Correspondent Banks Is Too Great or Too Small"

Manufacturers Trust Company

55 BROAD STREET, NEW YORK 15, N. Y.

Member of Federal Deposit Insurance Corporation

ROUTING SYMBOLS—Cont.

The combined symbol, in fractional form, is recommended to be printed in the upper right-hand corner of the check above the figure amount line;

The combined symbol is recommended to be printed in Gothic type, the face of which measures at least eight points vertically or one-ninth inch from the top to the bottom of the individual character. For example:

$\frac{55-146}{312}$ or $\frac{11-24}{1210}$

The routing symbol (denominator of the fraction) is composed of not less than three nor more than four consecutive digits without any spacing, letters, or hyphens. In the case of three-digit symbols, the first digit designates one of those Federal Reserve districts, numbers 1 to 9 as follows: Boston, 1; New York, 2; Philadelphia, 3; Cleveland, 4; Richmond, 5; Atlanta, 6; Chicago, 7; St. Louis, 8, and Minneapolis, 9.

The second digit designates the Federal Reserve bank or branch serving the territory in which the drawee bank is located. The head office is indicated by figure 1, and branches are indicated by figures from 2 to 5.

The third digit indicates availability after receipt by the designated Federal Reserve bank or branch. Figure 0 indicates that the item will be given immediate credit, and figures from 1 to 9 are used to indicate that the items will be given deferred credit after receipt by the Federal Reserve bank or branch, and also to designate states, parts of states, or certain other cities.

The four-digit symbols have the same meaning as three-digit symbols except that the first two digits designate the Tenth, Eleventh, or Twelfth Federal Reserve districts as follows: Kansas

City, 10; Dallas, 11, San Francisco, 12.

Checks drawn on the Treasurer of the United States for certain drafts drawn on Reserve banks will use "000":

| | |
|---|-------|
| Treasurer of U. S. Washington, D. C. | 15-51 |
| | 000 |
| Federal Reserve Bank of New York | 1-120 |
| | 000 |

A routing symbol is assigned only to banks whose items are collectible through Federal Reserve banks. Other banks will continue to use their officially designated A.B.A. transit number which, it is recommended, should be moved to the upper right corner.



"The first thing that comes up is the mortgage!"

V-E Day and Every Day...

YORK PROTECTIVE EQUIPMENT
CHECKMATES FIRE, FLOOD AND BURGLAR

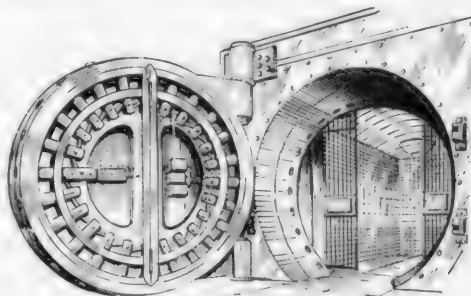
Resistive to fire, flood and burglar, the strength and security of York Safe Deposit Boxes and York Bank Vault Doors protect money, securities and other valuables in thousands of large and small banks throughout the world.

For over 60 years, York engineering and manufacturing efficiency has earned the distinction of being ... Designers and Manufacturers of the World's Largest Vaults.

For better protection ... Consult York.

YORK PRODUCTS

Safe Deposit Boxes
Bank Vault Doors
Safes
Night Depositories
Money Chests



YORK SAFE AND LOCK COMPANY
YORK, PENNSYLVANIA

| | | | | | |
|-----------|-----------|-----------|-------------|--------------|---------------|
| BRANCHES: | Baltimore | Cleveland | Los Angeles | New Haven | St. Louis |
| | Boston | Detroit | Miami | Philadelphia | San Francisco |
| | Chicago | Houston | Montreal | Pittsburgh | Washington |

Designers and Manufacturers of the World's Largest Vaults

An Opportunity

"The introduction of the new A.B.A.-Federal Reserve check routing symbol, which will make it necessary for most banks to order new plates or films from which to print their checks, presents banking with a splendid opportunity to advance the cause of check standardization," said "The New York State Banker."

"Banks will be doing themselves and their customers a genuine service if they take advantage of this chance to adopt, and if possible to persuade customers to adopt, check forms of standard size on which various elements are displayed."

A Veterans' Financial Service Center

OUR 47th



YEAR

Successful Trust Promotion

"141 persons from our list of 421 have responded. The remarkable part is that 90 prospects came in person to our Trust Department. We certainly plan to close much of this business."

★ ★ ★

Is your trust advertising bringing inquiries and business to your Trust Department? If not, request additional evidence of the effectiveness of Purse trust promotion programs, and a demonstration (by mail) of how Purse will meet your every requirement.

Without obligation, request complete information

The **PURSE** Company

Headquarters for Trust Advertising
CHATTANOOGA, TENNESSEE

BUY WAR BONDS

FOURTEEN banks and financial institutions of New Haven, Connecticut, recognizing their obligation under the Servicemen's Readjustment Act of 1944 to provide loans for returning servicemen and women, have put into operation a plan for providing the veterans with this loan service with the least amount of misunderstanding and delay.

Seven commercial banks, three mutual savings banks, the Morris Plan Bank and three building and loan associations appointed a committee to develop a plan which would accomplish promptly the desired objectives. All the veterans' agencies in the community were consulted and the committee was pleased to find that each agency welcomed the proposed active assistance of the banks in rendering financial service to the veterans.

It was felt desirable to create a Veterans' Financial Service Center, sponsored and supported by the banking institutions. At the center loan information would be available and all legitimate and reasonable requests made bankable. As manager we sought a man with a veteran's background, experienced in credit and business; and we found a former major of artillery who had all of the desired qualifications and characteristics; also a competent secretary, whose husband is on the fighting front.

Further evidence of active cooperation was shown when the needs for furniture for the office were quickly taken care of by contributions from all the sponsoring banks, including desks, chairs, filing cabinets, typewriters, magazines, blotters, etc. These furnishings were moved to the central office with the aid of an Army truck.

WE had 16 conferences with veterans on the opening day, April 23. All the veterans' agencies refer inquirers to the center, and the banks send veterans who inquire for loan information or desire financial counsel. Special instructions were prepared for the sponsoring banks, so that their procedure would be uniform in handling inquiries. The following suggestions were made: that each bank designate an officer to whom all GI inquiries would be referred; also that this officer would courteously consider the veteran's inquiry and would advise him of the center's functions; that the officer would gladly call the manager of the center and make an appointment for the veteran, thus indicating to him the bank's interest in his case. At this time an appointment card is given to the veteran, giving the address of the center, the manager's name and the hour of the appointment, together with the name of the bank through which the appointment was made.

Our experience thus far confirms our belief that our manager, Robert C. Gillies, through his knowledge of inquiries from many veterans, has gained the know-how in counseling servicemen. He is also obtaining invaluable experience in the preparation of the numerous forms which expedite the routine of loans of this type.

Our plan provides that the manager of the office process the loan. After all forms have been prepared, appraisals made, credit report obtained and certificate of eligibility received, the data are referred for closing to the bank of the veteran's preference. Considering the care with which the work is done up to this point, it seems highly unlikely that any of the sponsoring banks could find any reasonable cause for not concluding with the loan.

(CONTINUED ON PAGE 110)

"Instantly recognized all over the World"



NCB TRAVELERS CHECKS

Issued by America's Greatest World-Wide Bank

Used by Experienced Travelers for Over Forty Years

A Logical Service for Banks to Offer Their Clients

243

The selling bank retains entire commission — i. e. $\frac{3}{4}$ of 1%

We shall welcome inquiries concerning this service

THE NATIONAL CITY BANK OF NEW YORK

Head Office • 55 WALL STREET • New York

Correspondent Banks throughout the World

Member Federal Deposit Insurance Corporation

Active Overseas Branches of The National City Bank of New York

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Buenos Aires
Flores
(Buenos Aires)
Plaza Once
(Buenos Aires)
Rosario

BRAZIL
Rio de Janeiro

Pernambuco
Santos
Sao Paulo

CANAL ZONE
Balboa
Cristobal

CHILE
Santiago
Valparaiso

COLOMBIA
Bogota
Barranquilla
Medellin

CUBA
Havana
Cuatro Caminos
(Havana)
Galiano
(Havana)
La Lonja
(Havana)

Caibarien
Cardenas
Manzanillo
Matanzas
Santiago

ENGLAND
London
117, Old Broad St.
11, Waterloo Place

INDIA
Bombay
Calcutta

MEXICO
Mexico City

PERU
Lima

PUERTO RICO
San Juan
Arecibo
Bayamon

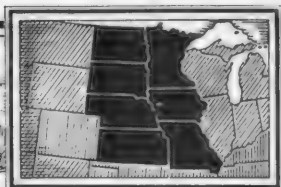
Caguas
Mayaguez
Ponce

REPUBLIC OF PANAMA
Panama

URUGUAY
Montevideo

VENEZUELA
Caracas

NORTH DAKOTA
MINNESOTA
MISSOURI



SOUTH DAKOTA
KANSAS • IOWA
NEBRASKA



PROVIDING INVESTMENT CAPITAL

To The West North Central States

NOT long since the stamping ground of the Indian and the buffalo, the West North Central States now occupy a pre-eminent position as the granary of the nation, and have become increasingly important in its industrial development.

Settled by virile peoples from the Old World—with limited resources but great courage—farms were wrested from the prairies, towns and cities were built. Funds for required public improvements, and for much of the industrial progress of the West North Central States came, of

necessity, from older sections. In this transfer of funds, the facilities of investment organizations such as our own have been an important factor, bringing together deserving borrower and conservative lender.

Over the years, Halsey, Stuart & Co. Inc. has made a substantial contribution to the progress of the West North Central States. It has participated, as an original underwriter in over 400 separate bond issues totaling over \$1 billion, of selected municipalities and corporations located in that section.

HALSEY, STUART & CO. INC.

CHICAGO 90, 123 S. LA SALLE STREET • NEW YORK 5, 35 WALL STREET
AND OTHER PRINCIPAL CITIES

Veteran's Center

Continued

The operation of the center is under the direction of the chairman of an executive committee of the advisory committee, the membership of which consists of representatives from the sponsoring banks. There is also a loan committee, consisting of the GI representatives from each bank, with whom the central office has developed a close working arrangement.

We expect to render a continually growing service to the veterans in caring for their legitimate loan needs and to attain the confidence of veterans requiring financial advice, in cases where a loan is not contemplated. [Several cities have central offices for processing GI loans. In others, banks cooperate with information services run by civic or government agencies, and through them give aid on GI loan problems.—Ed.]

G. HAROLD WELCH

Know Your Bond Portfolio

(CONTINUED FROM PAGE 41)

in appreciation or depreciation. Most of the larger banks now report annually the net amount of bond profits or losses.

Only in exceptional cases can a bond portfolio show a net depreciation from book value at this time. It is an opportune period in which to begin reporting more details on bond portfolio management. At some time in the future, the situation may be vastly different. Low capital ratios call for careful and conservative bond portfolio operations. To an institution with 70 per cent of its resources in securities and a 20 to 1 capital ration, a drop of one point in market value would be equal to about 14 per cent of capital. A three and one-half point drop would amount to about 49 per cent or very close to one-half of capital funds. Five-year government obligations now yield about 1.46 per cent. A change to a 2.25 per cent rate would bring a decline of about three and one-half points in a five-year 1½ per cent issue.

If more detailed information is given to the public on the results of portfolio management the determination to adhere to a conservative policy would be strengthened. One further step in the right direction would be the annual publication of bond portfolio holdings as the insurance companies now do. A few banks have adopted this policy.

*Salesman Jack
does mighty
well...*



Says he: "I've just my time to sell;
Exhibits bring the bacon home—
I tab each piece with MAK-UR-OWN"

GENUINE • ORIGINAL
MAK-UR-OWN
CELLULOID
INDEX TABS

Write, type or print any index,
slip into MAK-UR-OWN strip,
cut to length and attach per-
manently in a moment. 7 colors, 3 widths; printed
sets and die-cut tabs.

At your stationers.

Equip every
desk with



MAK-UR-OWN
Index Tabs

THE VICTOR SAFE

INCORPORATED

& EQUIPMENT CO.

125 JAHAWANDA

NEW YORK



BANK OF NEW SOUTH WALES

ESTABLISHED 1817

128 years' experience of all phases of
development in Australasia enable
this Bank to offer the most com-
prehensive service to traders, in-
vestors and travellers

Head Office: Sydney
NEW SOUTH WALES

General Manager:
SIR ALFRED C. DAVISON, K.B.E.

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29, Threadneedle Street, E.C. 3.
47, Berkeley Square, W. 1.

Agency arrangements with Banks
throughout the World

(Incorporated in New South Wales with
Limited Liability.)



... EVERY DAY DURING 1944



749 Homes or Offices Were Burglarized



2176 Larcenies Were Perpetrated



120 People Were Robbed



555 Automobiles Were Stolen

The Federal Bureau of Investigation, in its latest bulletin of Uniform Crime Reports, states that in 1944, during each day, 2,176 larcenies were perpetrated, 749 homes or places of business were burglarized, 555 automobiles were stolen, 120 persons were robbed.

The FBI bulletin further reveals that thefts involving property valued at \$50 or more increased 22.9 per cent in 1944 over 1943 and that the number of burglaries also increased. The average value of property stolen increased 19.6 per cent for robbery, 30.6 per cent for burglary and 17.0 per cent for larceny. And note this: Only 24.1 per cent of the property stolen was recovered.

What more convincing evidence of the need for Insurance?

AETNA CASUALTY AND SURETY COMPANY

AFFILIATED WITH AETNA LIFE INSURANCE COMPANY

AUTOMOBILE INSURANCE COMPANY

HARTFORD



STANDARD FIRE INSURANCE COMPANY

CONNECTICUT

Prompt and Reliable

INFORMATION ABOUT CANADA

Through our 516 Branches in Canada, the New York Agency is in close touch with every phase of Commercial and Financial activity in the Dominion and is well equipped to assist and serve corporations, firms and individuals interested in Canada.

THE CANADIAN BANK OF COMMERCE

HEAD OFFICE . . . TORONTO, CANADA

S. H. LOGAN, Chairman of the Board

A. E. ARSCOTT, President

S. M. WEDD, General Manager

NEW YORK AGENCY: Exchange Place and Hanover Street

Agents: C. J. STEPHENSON, W. T. ALEXANDER



How Can This 385-MILLION-DOLLAR Bank Serve You?

Here—in addition to the competent handling of all routine matters for correspondents—is a relationship thoroughly alive to your interest and actuated by a spirit of mutual service and profit.

Here is knowledge and experience gained through 80 years of banking.

Here is the Commerce, at the transit crossroads of the nation—serving correspondents in 42 states, and ready to serve you.

Commerce Trust Company

KANSAS CITY, MISSOURI

Established 1865

Member Federal Deposit
Insurance Corporation

**Relax in
Cool Comfort**



**HOTEL
mayfair**
Saint Louis
AIR - CONDITIONED

50 Years of Investigating . . .

"In the multitude of days there is wisdom." An honorable record of fifty years of investigating individuals and companies has made us "wise" and has filled our files with matter most valuable to our clientele.

BISHOP'S SERVICE, INC.

76 Beaver St., New York 5 Dlgby 4-6670

Trust Department

(CONTINUED FROM PAGE 44)

else: The separate listing of the trust department officers is helpful in this respect in creating a good impression and—what is equally important—in preventing the creation of a bad impression.

Publication of Trust Committee. A comparatively recent development is the publication in the statement of condition of the trust committee. Of the 370 trust institutions, 18 are publishing these names.

In a few other institutions the name of the chairman of the trust committee is published with the trust department officers. In still other institutions—some in New York State, for example—the committee is listed on the letterhead rather than in the statement.

Banks and trust companies which thus publicize their trust committees say it serves two good purposes. First, it emphasizes in the minds of the members themselves the importance of membership on this committee and thus stimulates their interest and activity in behalf of the trust department. Second, it impresses the public with the type of men whose group judgment is brought to bear upon problems of estates and trusts and other types of accounts. It helps to convince the public that the bank or trust company makes good its claim that it acts upon group judgment.

Publication of Trust Assets. Of these 370 banks and trust companies, 215, or well over half, publish their trust assets in their statements of condition.

As yet there is no standard form of publication of trust assets. One bank or trust company simply states that its personal trust assets exceed a stated amount; another names a definite figure. One states separately its personal trust assets and its corporate trust assets; another presents the grand total of the two. One trust institution classifies its trust assets by types of trust accounts, giving the volume of assets it is holding each in estates, in trusts, in guardianships, in personal agencies, in custody and safekeeping accounts, and in corporate trusts; another classifies its trust assets by types of property.

The present trend is toward and not away from the publication of trust assets. This is apparent not only in the increasing number of trust institutions which are publishing their trust assets in their statements of condition but also in the detailed information about their trust business the presidents of banks and trust companies are presenting in

(CONTINUED ON PAGE 114)

BANKING

CREAM FOR YOUR COFFEE

-MILK FOR YOUR TABLE

*...Travel the "Milky Way"
in FRUEHAUFS!*



5,000 Gallons Per Trip . . .

ENOUGH FOR A QUART ON 20,000 DOORSTEPS

LIKELY AS NOT, you think of your daily milk supply traveling to the creamery—as it did for years—in trucks loaded with bulky 5-gallon metal cans. But perhaps, in the early hours, you have seen big streamlined Fruehauf Tank-Trailers hurrying to the city, to start your milkman on his daily rounds.

Meets Exacting Schedule

Ira Wilson and Sons, for example, keep milk flowing from their receiving station near Owosso, Michigan, to the main Detroit plant in these 5,000-gallon Fruehauf Tank-Trailers.

Milk touches only stainless steel in the sanitary mirror-bright tanks . . . insulated so thoroughly that summer or winter the temperature change of the milk is held to less than 2° on the entire trip.

Over this 100-mile "milky way" these dependable Trailers maintain an exacting daily schedule.

There are many advantages for Wilson customers. In using Fruehauf Tank-Trailers reduced deliv-

ery cost and savings in manpower help to hold the price of milk to a minimum. This giant "milk-wagon," with one operator, does the work of four smaller trucks and drivers. Loading and unloading time is cut—milk reaches the customer fresher—spoilage in transit is unknown.

Wilson's experience with Fruehaufs is typical of many other creameries. In fact, in more than 100 different types of business, Fruehauf owners have learned the flexibility and economies afforded by the Trailer-method—which in most cases does the job better than it could be done in any other way.

World's Largest Builders of Truck-Trailers

FRUEHAUF TRAILER CO. ♦ DETROIT

Service in Principal Cities



FRUEHAUF *Trailers*
ENGINEERED TRANSPORTATION

★ INVEST IN WAR BONDS TODAY ★



Modern transportation is paralleled by modern sanitation. Skilled laboratory technicians guard the health of Detroiters by their constant microscopic and chemical tests.



Movement of milk within the plant matches the efficient Truck-Trailer delivery. Bottles and store cartons are filled at the rate of 300 quarts per minute—for the milkman's wagon.

*Our borrowers like this
life-insurance plan*



GEARED to your needs

Many Personal Loan Departments, familiar with every type of life insurance coverage for their loans, find that Old Republic insurance is best suited to their needs. As a pioneer in this specialized field, Old Republic provides a comprehensive service, geared to your requirements. Details of the Old Republic plan have been carefully worked out to make the insurance advantageous to the borrower, to his family and to your bank.

OLD REPUBLIC
CREDIT LIFE INSURANCE COMPANY
309 W. Jackson Blvd. Chicago

THE NEW YORK TRUST COMPANY

Capital Funds Over \$50,000,000



100 BROADWAY
—
MADISON AVENUE
AND 40TH STREET
—
TEN
ROCKEFELLER
PLAZA

★
BUY
WAR
BONDS

Member of the Federal Deposit Insurance Corporation

Trust Department

(CONTINUED FROM PAGE 112)

their published annual reports to stockholders. Witness the reports to stockholders for 1944 of the Girard Trust Company, Philadelphia; the Granite Trust Company, Quincy, Massachusetts; and of the First National Bank in Dallas, Texas, to mention only three of the recent reports in which the trust department shares honors on an equal basis with the banking department.

This trend is apparent further in the fact that for the Directory of Trust Institutions of America for 1945 recently published by *Trusts and Estates* so many of the trust institutions voluntarily furnished for publication the amount of their personal trust assets stated either at the actual figure or as being under or over a stated amount.

Trust institutions which publish their trust assets in their statements of condition in the annual reports to stockholders, in the directory, or in other ways, justify their course by saying that their customers, prospective customers and advisers are entitled to as much detailed information about the trust business as it is possible to give them without divulging confidential matters. In this way, they say, the bank or trust company informs people as to its experience in the handling of different types of trust accounts and different types of trust property. Such information is helpful to people and their advisers in deciding whether to place trust business with a given bank or trust company.

SINCE the trend is toward the publication of trust assets, it is important that the movement toward standardization of trust department figures be given prompt and added stimulus. This refers to a standard classification of trust accounts, of trust property, and of method of evaluating trust property. However, these are highly technical matters for the accomplishment of which the presidents of trust institutions will have to look to their trust men. Fortunately, trust men are alert to the urgent need for such standardization. In fact, they have agreed upon the classification of trust accounts and of trust property but not yet upon the method of evaluating trust property.

These 370 trust institutions, although only a small minority, nevertheless, by setting the example, are pointing the way for the greater and more effective use of the bank's or trust company's published statement of condition in disseminating trust information and in developing trust business.



In boom or depression
... in Peace or War ...
always at the forefront
of Banking Service in
Baltimore since 1894

**MARYLAND
TRUST COMPANY**
BALTIMORE

HEYWARD E. BOYCE, President

Member Federal Reserve System and
Federal Deposit Insurance Corporation

★ YOUR ★ WASHINGTON ★ STAY ★

For business and government contacts choose the LAFAYETTE, two blocks from the White House—near other government buildings—a stone's throw from downtown. The location is quiet—room comforts relaxing—and, for the epicurean, there's the

LAFAYETTE ROOM

... Colorful mealtime setting ... Celebrated food ... Drinks of extra cheer

Please reserve in advance

HOTEL LAFAYETTE

18th & Eye Streets N.W.

WASHINGTON D. C.

A JEFF FORD ENTERPRISE

OIL PORTRAITS



—of your Founder, your President, or any member of your Staff or Family—we do a superlative job from any good photograph. Personal sittings too, if desired. Priced from \$150 up. Inquire!

AMERICAN PORTRAIT ARTISTS
507 Fifth Ave. (Dept. C-2), N.Y.C. 17, VA 6-1977

Some men will never want to go in business for themselves

Perhaps we should have said *most* men.

There is nothing wrong with this. Business organizations, large and small, need able men, and will pay for them. Many a man finds a fine and satisfactory career on another man's payroll.

But some men are so sure of their ability to make their brains pay them a direct profit—so impatient of the delays and compromises involved in working for somebody else—that they cannot rest until they are managing their own business.

They save and scrimp to get the capital they need, and away they go.

America needs these men. They are the yeast in the national bread.

It happens that they make good life insurance agents. It happens also that life insurance selling, which requires minimum capital, but a maximum of those important personal qualities, is a fertile field for these men—for these *invaluable* men of independent spirit.

This company has built its sales and service organization of men who possess that spirit. It makes available to them a wealth of practical experience in meeting and solving the problems peculiar to the man in business for himself—problems of capital, know-how and market. It does everything in its power to help them succeed *in their own right* as independent small business men—in a country which after the war will need independent small business men in larger numbers than ever before.



NORTHWESTERN *National* LIFE

INSURANCE

COMPANY

O. J. Arnold, President

Minneapolis 4, Minn.



any mem-
superlative
nal sitings
quire!
RTISTS
A 6-1977
N KING

SERVICE

Maintaining an intimate, personalized correspondent bank service.

EXPERIENCE

Officials with years of service in this field, assuring a knowledge of requirements and valuable assistance.

POLICY

To cooperate with out-of-town banks rather than compete for business which is rightfully theirs.

The PUBLIC NATIONAL BANK AND TRUST COMPANY OF NEW YORK

ESTABLISHED 1908

MEMBER

New York Clearing House Association
Federal Deposit Insurance Corporation



HONOR ROLL PLAQUES

Impressive tributes to those in the Services. Cast in durable, non-critical material that closely simulates enduring bronze.

**UNITED STATES BRONZE
SIGN CO., INC.**
570 BROADWAY, NEW YORK 12, N. Y.
CA 6-4792

BANK SIGNS THAT LOOK LIKE SOLID BRONZE

EXCELLENT FOR OUTDOOR USE
Fashioned entirely of non-critical materials. Bright, RAISED satin-finish letters on mottled, statuary brown background.

LEGIBLE • DISTINCTIVE • DURABLE
Send approximate measurements for
FREE full size PREVIEW SKETCH.

MR. BARRETT

Also Bronze-Like Desk Signs

**UNITED STATES BRONZE
SIGN CO., INC.**

570 Broadway New York 12, N. Y.

Bretton Woods

(CONTINUED FROM PAGE 52)

term and safe amounts, based on the member nation's contribution, and if all normal credit transactions were forced to meet the standards of the Bank, the Fund would appear to be a practical approach to the problem of international monetary stabilization, and the Bank could be used to attain economic stabilization."

One other significant change was contained in the following statement by Mr. Goss: "Our experience in farm credit has taught us that there are always border line cases, and that conflict is best avoided by having the various types of credit under one supervising authority which can assure that there are neither duplication nor blind spots. We have suggested that both the Fund and the Bank be under the supervision of a common board of directors, although the institutions and their staffs should be kept separate.

If these safeguards were provided we believe that fluctuations in exchange would be held to a minimum and speculation therein practically eliminated. Foreign trade would be made safer and thus promoted. Foreign credit would be to a considerable degree channelled through agencies where it would be extended in individual cases upon principles declared to be sound by the participating nations."

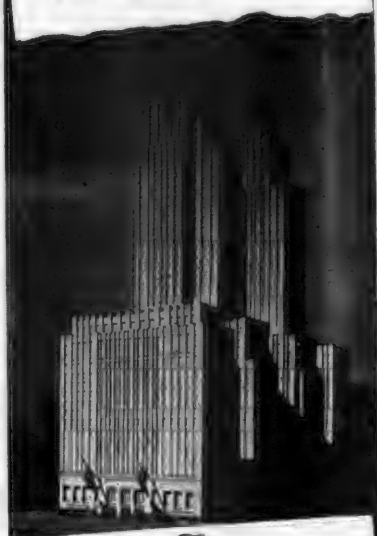
BRIGADIER General Leonard P. Ayres devoted his prepared testimony to a description of the stabilization aid this country undertook abroad following World War I, the export boom that ensued, the inflation and the subsequent deflation. The experiment General Ayres described as a complete and costly failure.

Professor E. W. Kemmerer, of Princeton University, gave an able analysis of the BW program from the standpoint of an advocate of the international gold standard, and detailed 18 steps which he thinks should be taken to restore a sound world currency system.

The Chamber of Commerce of the United States urged adoption of the proposed Bank but postponement of action on the Fund until the Bank should have had an opportunity to pass on the Fund plan or to make alternative recommendations. Meanwhile, the Chamber would have the Bank exercise its clear power to make such stabilization loans as are necessary.

Representing the CIO, James B. Carey—like William Green of the AFL—appeared before the committee

There are many alternatives
but only one "Waldorf"



The
WALDORF-ASTORIA
Park Avenue - 49th to 50th - New York
LUCIUS BOOMER Chairman of the Board
FRANK READY President

80th ANNIVERSARY



TYPEWRITER PATENTED IN 1868

● It's been eighty years since Millers National Insurance Company was chartered to transact the business of fire insurance. That charter was granted in 1865 . . . three years before a momentous event in the history of business . . . the patenting of the typewriter by Sholes and Glidden.

Illinois Fire was founded in 1876.
Next time specify one of these established, time-tested fire companies.

MILLERS NATIONAL
Insurance Company

ILLINOIS FIRE

Insurance Company
HOME OFFICE: CHICAGO

to endorse the BW agreements and bill without amendment. Mr. Carey was questioned at length concerning the seeming discrepancy between the CIO's stand that BW loans of dollars are desirable because they will make jobs, and an address made by Mr. Carey last September in the course of which he strongly condemned as dangerous the device of resorting to loan-financed exports to solve our domestic unemployment problems. The earlier Carey statement was made before the CIO had formally endorsed BW.

EARLY in May, President Burgess addressed the annual meeting of the Chamber of Commerce of the State of New York on Bretton Woods. Mr. Burgess corrected the rather general impression that after World War I each country had to stabilize its currency without outside help. Actually many stabilization loans were made and "the development of consultation and cooperation of central banks was one of the great achievements of this period." Mr. Burgess told his audience that in 1919 and 1920 our Government continued to lend money to Europe, \$3 billion of it under the war debts, and another \$3 billion of private credit.

Tracing the foreign lending boom and collapse of the Twenties and Thirties, Mr. Burgess stated that we are in danger of repeating exactly these mistakes.

"Just as after the first World War, we are talking in terms of lending large sums of money abroad without enough consideration of how the money can be used wisely and productively. Relief needs must, of course, be met and essentials for reconstruction, but we must exercise discretion along with generosity," Mr. Burgess continued.

"In the light of experience we know that foreign lending by the United States must be fully safeguarded both in our own interest and the interest of the borrower. We approve the plan for the Bank for Reconstruction and Development because we feel that the instructions given to the management to make an economic survey of every situation before making a loan, to see that the loan is likely to be repaid, to make sure that the money is used for the purposes intended, offers reasonable prospect, with good management, of sound lending. Moreover, the United States is given a veto over any loans made in dollars.

"The Monetary Fund is a horse of an entirely different color. The economic soundness of the borrowing country or its ability to repay are nowhere clearly enough stipulated. The loans have no



**YOUR CUSTOMER'S INVENTORY
CAN BE MADE BANKABLE**


The St. Louis Terminal Field Warehousing Division's "sound and economical method" of setting up actual warehousing operations right on the premises of your Customers Business Establishment (collateralizing the inventory) will enable your Bank to make More Loans or Larger Loans, SAFELY.

Our Record Stands: Never so much as One Dollar of loss on a Field Warehousing operation to Lending Agent, Bonding Company or Ourselves.

"WRITE FOR INFORMATION"

Field Warehousing Division

ST. LOUIS TERMINAL WAREHOUSE COMPANY
SERVING INDUSTRY FOR TWENTY YEARS
General Offices — ST. LOUIS, MISSOURI
CINCINNATI • KANSAS CITY • MEMPHIS • CHICAGO



**Investors Mutual,
Inc.**

A MUTUAL DIVERSIFIED INVESTMENT FUND

Prospectus on request from Principal Underwriter

INVESTORS SYNDICATE

Minneapolis, Minnesota

REPRESENTATIVES IN THE PRINCIPAL CITIES OF THE UNITED STATES

fixed maturity. Members of the Fund are 'entitled' to use its facilities under certain restrictions not difficult to fulfill, and the United States has no veto power over such loans. Once we have put our money in the pot it is dispersed by a board of directors in which we have a minority vote! We know from experience that this is not a good way to lend money. Bad lending will make trouble for lender and borrower just as it did in the Twenties. . . . The important thing the American Bankers Association is trying to do is to keep the United States from repeating the same mistakes that we made in the Twenties in lending our money abroad. . . .

"There appears to be a large school of thought in this country that if a plan gotten up by experts is novel and very expensive it must be good. We are still

Now . . . FOR THE FIRST TIME

**Legal Digest of Laws, Opinions and Rulings
Affecting Industrial Banking Operations
Throughout the Nation**

Handy, complete. Assembles for first time, under one cover, a digest of State and Federal laws relating to legal status of industrial banking and personal loan departments of commercial banks. Complete through 1944. Fully indexed.

Compiled especially for bankers, lawyers, government officials, economists. Limited quantities. \$4.00 a copy.

CONSUMER BANKING INSTITUTE
1625 Connecticut Ave., Washington 6, D. C.

sure we were right."

Mr. Burgess concluded that we should treat the BW document with respect, overlook such of its defects as we think may be cured by time and experience, but insist upon those changes and safeguards which we know to be essential.



"Oh, she's OLD!
Almost thirty!"



At twenty, thirty seems ancient.

At thirty, forty is distant middle age.

At forty, well, it'll be a long time before you're fifty.

The point is that ten years ahead always seems like a long time. Yet, actually it passes "before you know it" . . . and you find yourself face to face with problems, opportunities, needs, that once seemed very far in the future.

This is a good thing to remember today, when you buy War Bonds to speed the winning of the war.

In ten years—only ten years—those bonds will bring you back \$4 for every \$3 you put into them today.

Think of what that money may mean to you in 1955. An education for your children . . . a home . . . maybe even retirement to the place and the life of your heart's desire.

All this your War Bonds can mean to you . . . if you buy all you can today and hold them to maturity.

It won't be long till 1955. Not half as long as you think.

BANKING

*This is an official U.S. Treasury advertisement
—prepared under auspices of Treasury Department
and War Advertising Council*

North of the Border

THE Minister of Munitions and Supply, Hon. C. D. Howe, in urging war workers to stay at their jobs and speed the Allied victory over Japan, has announced certain changes in Canada's industrial effort. Aircraft production and shipbuilding are to continue at a high level. Production of chemicals and explosives will be reduced in accordance with demands for ammunition. The manufacture of armored vehicles will be cut sharply and some passenger automobiles may be turned out later in the year as automotive plants switch from military to civilian requirements. The output of railway equipment will be increased immediately while there will be little change in the volume of general military stores produced.

Later in May, Hon. J. L. Ilsley, Minister of Finance, published a statement forecasting the immediate relaxation of certain wartime controls together with a partial lightening of the tax burden. The Minister pointed out, however, that all changes would be made in the light of their effect on anti-inflationary measures already in force. A number of the restrictions on the manufacture of household appliances and other consumer goods will be lifted immediately.

Special excise taxes on household electric and gas appliances have been withdrawn and those on passenger automobiles, radios, phonographs and cameras have been reduced from 25 per cent to 10 per cent. The sales tax on building materials has been removed and the war exchange tax rescinded in so far as it applies to producers' machinery and equipment and to building materials. Travel to the United States is to be simplified by an amendment to the foreign exchange regulations which will permit the purchase of U. S. dollars for all reasonable expenses, regardless of the amount.

The rigid control over manpower exercised by the Department of Labor will be modified.

R. I. C. P.

American soldiers check the Reichsbank gold found in a German salt mine



PRESS ASSOCIATION

LEADERS in business
and finance as well
as countless thousands
of seasoned travelers
bank on "Book" fa-
cilities. For its unpar-
alleled convenience,
its five fine restau-
rants, unquestioned
service, follow the well
worn path to



HOTEL
BOOK-CADILLAC

DETROIT 31

FAY M. THOMAS
General Manager

You're Right in the Center of

WHAT'S GOING ON
IN NEW YORK

when you stay at The Roosevelt!
Theatres, shops and business
districts are just a few minutes
away . . . and every comfort is
assured by Hilton service.

Rooms with Bath from \$4.50

ROOSEVELT GRILL

The home of GUY LOMBARDO
and other famous orchestras.

**HOTEL
ROOSEVELT**

Dean Carpenter, General Manager
Madison Ave. at 45th St., New York
Direct entrance to Grand Central Terminal

OTHER HILTON HOTELS INCLUDE

Chicago: The Stevens
Dayton: The Dayton-Biltmore
Los Angeles: The Town House
C. N. Hilton, President



BANKING

THE BALTIMORE AND OHIO RAILROAD COMPANY

Summary of the 118th Report • Year ended December 31, 1944

EARNINGS:

| | Year 1944 | Compared with 1943 |
|---|---------------|-----------------------|
| From operations—transporting freight, passengers, mail, express, etc. | \$387,193,036 | I \$29,050,884 |
| From dividends and interest on securities owned, rents, etc. | 7,741,295 | D 896,674 |
| Total | \$394,934,331 | I \$28,154,210 |

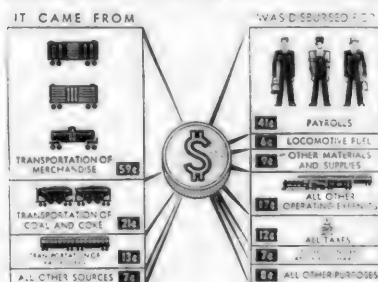
EXPENSES:

| | | |
|---|---------------|----------------|
| Payrolls, fuel, material, etc. | \$287,068,754 | I \$36,484,401 |
| Taxes | 48,984,845 | I 2,227,636 |
| Equipment and Joint Facility Rents | 9,823,057 | I 890,685 |
| | \$345,876,656 | I \$39,602,722 |
| Other charges—principally rent for leased roads and equipment, interest on debt, etc. | 28,143,237 | D 1,853,470 |
| Total | \$374,019,893 | I \$37,749,252 |
| Net Earnings | \$ 20,914,438 | D \$ 9,595,042 |

DISPOSITION OF NET EARNINGS:

| | | |
|--|---------------|----------------|
| Additions and betterments to Company property | \$ 4,906,110 | D \$ 146,370 |
| Appropriated for sinking and other reserve funds— —to retire debt | 8,021,881 | D 11,097,232 |
| Other appropriations | 45,188 | I 1,309 |
| Added to the Company's surplus | 7,941,259 | I 1,647,251 |
| Total | \$ 20,914,438 | D \$ 9,595,042 |

OUR INCOME DOLLAR 1944



REDUCTION IN OUTSTANDING CAPITAL OBLIGATIONS



Freight and passenger traffic handled in 1944 exceeded all previous records, due largely to the heavy tonnage of war supplies, troop movements and other war travel. Totals were 147,314,981 tons and 14,303,937 passengers.

The tremendous task of moving this extremely heavy traffic volume was accomplished through the continued cooperation of the various agencies of the Government, shippers, and the public generally, in the conservation of equipment and manpower and in meeting the unusual wartime conditions. Operating Revenues—\$387,193,036, and Operating Expenses—\$287,068,754—were highest in the Company's history.

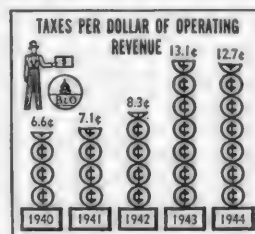
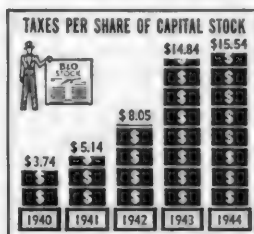
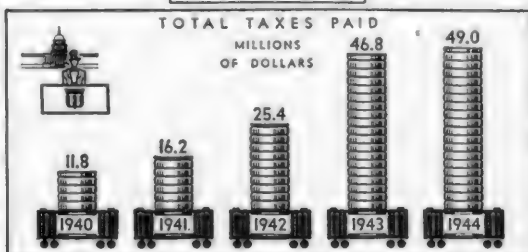
The Company's tax bill at \$48,984,845, was larger in 1944 than ever before. During 1944 debt of the Company was reduced by \$34,801,828. Total debt reduction during the last three years was more than \$105,000,000.

The President and Directors acknowledge with grateful appreciation the loyalty and cooperation of stockholders and others interested in the Company's success; the Army, Navy and other agencies of the Government; our patrons, whose patriotic understanding of present day conditions has been most helpful; and, the officers and employees, without whose enthusiastic support we could not have accomplished the tremendous task of 1944.

More than 16,000 employees of the Company have been furloughed for military service and more than 150 of these have given their lives for their country.

R. B. White, President

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For World Security
BUY WAR BONDS

THE CONDITION OF BUSINESS

By WILLIAM R. KUHN

THE OUTLOOK. Signs are evident even at this point on the reconversion road, that we are heading for a period of rough and tumble competition in the true tradition.

It will be competition on a big pattern between steel, wood, glass, concrete, various metals and alloys, rubber, plastics and other materials. It will be between industries selling better houses and those selling better automobiles and private planes, between various states and sections and between different countries and areas.

The trend of current advertising and business news, particularly since Germany gave up, provides a good foretaste of the competitive spirit that spells low production costs, high quality, wide distribution and high wages.

Jubun!

No one knows when Japan will say enough,—“jubun!” Nor does anyone know the outlook for taxes, prices, labor policies and controls. The list of things unknown is a long one.

But there is no uncertainty on one point, and it may be most important, namely that millions of persons in this country are eager to buy things. We also have plenty of people who know how to make these things and deliver them if given half a chance.

It takes no planned economy to bring about this completely natural human circumstance, for basically the competitive business of peace is a simple matter. It is only when we try to use too many pulleys, valves and switches, such as are needed to regulate the collectivist business of war, that commerce and industry become hopelessly complicated.

Leaning on Government

Life with Uncle has not been one round of pleasure for business during the war. It has fostered the habit of relying too much on the long distance telephone for important decisions. But certainly the great majority in business are eager to proceed on their own. The only controls they want are those assuring the utmost freedom and fairness of competition.

The Miracle File

In spite of diligent efforts to unsell the public on push-button kitchens, tear drop automobiles and weekends in Cape Town and Shanghai, the rumor rightly persists that tremendous changes in materials and design will shape the course of business in the years to come.

Never before have there been so many actual and potential products of the engineer's drawing board and the laboratories of the chemist and physicist. After every war the number of patents issued in this country has increased sharply and this war will be no exception.

In ordinary times a deterrent to the introduction of new things has been the problem of displacing the old, without too much waste. However, during these war years we have been using things up at a great rate and in many lines we can start with almost a clean slate.

So, during this period, while the Army and Navy are putting the finishing touches on Japan, business is inclined to keep a serious, competitive eye on the rapidly growing “miracle file.”

Two or three brief examples are all that space will permit but these will show as well as a thousand how whole new competitive horizons are being opened up.

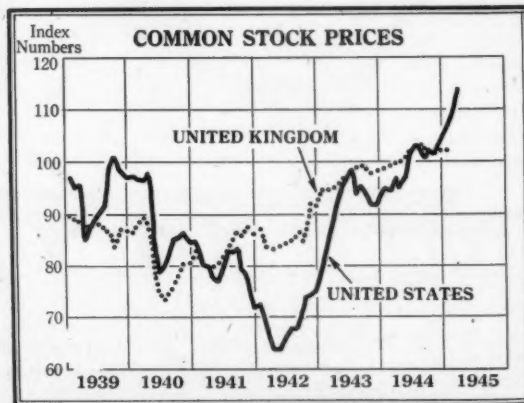
Wood is being treated chemically in such a way that it becomes hard enough to serve as a substitute for steel in some mechanical parts. It can also be used for musical instruments, boats and planes.

Research in the field of fiber alloys is just getting under way with some surprising results. The limitless possibilities are indicated by the fact that more than 300 animal and vegetable fibers can be used for textile purposes but at the present time only 10 or 12 of these are actually being used.

The wartime development of the Diesel engine has competitive possibilities which no one can measure as applied to passenger and freight locomotives, trucks, busses, ships, power production, construction work, mining, and on the farm where Diesel engines can do anything from plowing to spraying fruit.

Jeeps, which proved so valuable in war, have already demonstrated their worth for every variety of task as snowplows, fire-fighting equipment, stump removing, road grading, plowing, harrowing, furnishing power for milking and ordinary transportation purposes. Just what it will mean to have available a motor car that climbs hills like a horse and doesn't need a tow, remains to be discovered.

The course of our stock prices in the last few years reflects confidence in the strength of American business



Give your bank's checks the advantages of THE BEST-KNOWN NAME IN PAPER



The advantages of Hammermill Safety

PRESTIGE. Your customers know and respect the Hammermill name. When you use Hammermill Safety you link the prestige of your bank with the prestige of the best-known name in paper.

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in one mill, every protective feature is under scientific control through every step of the manufacturing process.

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Hammermill Paper Company, Erie, Pennsylvania

No basement, no attic yet this rust-proof house HAS EVERYTHING!



Note the all purpose storage space and also the workshop.

"HOW CAN WE combine maximum living space and minimum upkeep in a home of moderate cost," we asked Architect Floyd Yewell.

Mr. Yewell's answer is an adaptation of the California ranch house. This single-floor postwar home includes the storage and hobby facilities usually associated with attics and basements. And note that Mr. Yewell, like a majority of architects, advocates the use of *durable* copper and brass throughout.

Thus, from the handsome, copper roof to the foundation slab, damp proofed with "Electro Sheer" copper, this house will require a minimum of maintenance expense and repairs through the years.



The copper roof is of 10-ounce standing seam construction. Chimney, door and window flashings, gutters and downspouts are copper. Insect screens are bronze, and hardware, both interior and exterior, is solid brass or bronze.

Hot and cold water lines that can never rust are of copper tubing or brass pipe. To keep the entire water supply system rust-free and insure long trouble-free service, the water heater tank is of rustless Everdur*.

Designed for a lot of 60 by 100 feet, this medium-priced ranch-type home presents an air of spaciousness. Completely rustproofed with copper and brass, it will cost less to live in.

*Reg. U. S. Pat. Off.

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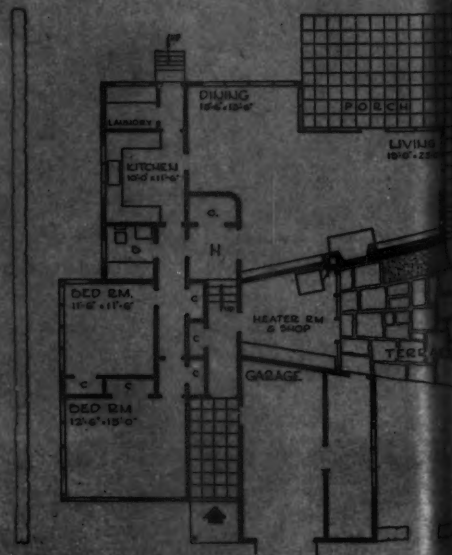
Subsidiary of Anaconda Copper Mining Company

In Canada: ANACONDA AMERICAN BRASS LTD., New Toronto, Ont.

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Advertisements such as this, directed to 4,739,940 home-conscious readers, promote sound construction.

No roof grows old more gracefully than one of copper—richness of tone as the years go by, a roof that is fire-resistant, requires no painting and can never rust. The roof illustrated, 10-oz. "Anaconda Economy Copper," is suitable for roof and 3 inches to the foot and upward, depending on climatic conditions.



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